भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED

52nd Annual Report 2021-22

Akash Weapon Sysytem

Counter Measures Dispensing System

Konkurs-M

Light Weight Torpedo

DEDICATION. COMMITMENT. PERSEVERANCE.

IN SERVICE OF THE SERVICES

Since its establishment, Bharat Dynamics Ltd., has been developing and manufacturing 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 Missile (SAM), Anti - Tank Guided Missile (ATGM), Torpedoes, and Allied Defence Equipments. Head Quarters of the Company is located at Hyderabad and has 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 facilities at Amaravati, Maharashtra, Ibrahimpatnam, Telangana and Jhansi (UP). During the recent years the Company also commenced export of selected defence equipments and has entered into strategic alliances with public and private sector companies. The Company has 2674 employees as on 31 March 2022 and during the year 2021-22 reported a net sales turnover of ₹2817 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

Board of Directors

Cmde.Siddharth Mishra (Retd)
Chairman & Managing Director
Shri.Chandraker Bharti, IAS, JS (Aero)
Government Nominee Director
Shri.MSR Prasad, DG(MSS) & DS
Government Nominee Director (Upto 24 August 2021)
Dr. BHVS Narayana Murthy, DG(MSS) & DS
Government Nominee Director (w.e.f 25 August 2021)
Shri.N.P.Diwakar
Director (Technical)
Shri.P.Radhakrishna
Director (Production)
Shri.N.Srinivasulu
Director (Finance) & CFO
Shri.Sunil Chintaman Mone
Independent Director (w.e.f 24 December 2021)
Shri.Nandakumar Subbaraman
Independent Director (w.e.f 24 December 2021)
Dr. Pawan Sthapak
Independent Director (w.e.f 24 December 2021)
Prof. (Dr.) Sangamitra Mishra
Independent Director (w.e.f 27 December 2021)
Shri. Rajendra Kumar Shekhawat
Independent Director (w.e.f 28 December 2021)

Chief Vigilance Officer

Dr.Upender Vennam, IPoS

Company Secretary

Shri.N Nagaraja

Principal Executives

(As on 31 March 2022)
Cmde.Trilok Nath Kaul (Retd)
Executive Director (Marketing)
Cmde.A Madhava Rao (Retd)
Executive Director (Head-KBU & PSG)
Cmde.Girish Raghunath Pradhan (Retd)
Executive Director (Vizag Unit)
Smt.V.Latha
General Manager (OPG and D&E)
Shri.CH.Ramesh Babu
General Manager (BU)
Shri.S.V.Kameswar
General Manager (VU)
Shri.P.V.Raja Ram
General Manager (SAM)
Shri.S.Murali Mohan
General Manager (Refurbishment & TSD)
Shri.M.Sreedhar Rao
General Manager (NP)
Shri.L.Kishan
General Manager (KM & CP)
Shri.M.Ravi
General Manager (BD & Mktg.)

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.Vaithisavaran & Co.,
Chartered Accountants

Cost Auditors

M/s.Narasimha Murthy & Co.,
Cost Accountants

Tax Consultants

Bansal & Dave,
Chartered Accountants

Legal Advisors

Smt.V Uma Devi
Shri.D Ravi Shankar Rao
Smt.D. Radhika

Bankers

Union Bank of India (Erstwhile Andhra Bank)
State Bank of India
Axis Bank
ICICI Bank
HDFC Bank

Registered Office

Kanchanbagh Post
Hyderabad – 500 058
Telangana, India
EPABX: 040-24587466 & 040-24587777
Fax: – 040 24340464
E-Mail: bdlitd@bdl-india.in
website: www.bdl-india.in

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: www.bdl-india.in

BOARD OF DIRECTORS

Cmde. Siddharth Mishra (Retd)

Cmde. Siddharth Mishra (Retd) has assumed charge as the Chairman and Managing Director of Bharat Dynamics Limited (BDL) with effect from 01 March 2019. He was commissioned in the Electrical Branch of Indian Navy in the year 1985. Post-retirement from Navy in Sep 2016,Commodore Mishra served ECIL, a Schedule "A" Central Public Sector Enterprise. Prior to joining BDL, he was General Manager (Defence) at ECIL, Hyderabad. Commodore Mishra is a B.Tech in Electrical Engineering, an MSc in Defence Studies and Master of Management Science. He is an alumnus of the prestigious Naval Academy and Naval College of Engineering, Lonavala. In his 33 years of distinguished career, Commodore Mishra has held varied Operational and Staff appointments, in addition to heading four major groups at ECIL.

At Naval Headquarters, he was instrumental in inducting and managing state-of- the- art technology, including policy framing and was in the core team and represented Indian Navy for induction of the Air Craft Carrier into the Services.

At Naval Dockyard, Visakhapatnam, he planned, coordinated and oversaw execution of refits and modernization of ships and submarines. He also controlled and managed the flawless operation/maintenance/infrastructure development/ asset management and resource planning of the Dockyard.

As a member of the Top Management of ECIL, he has provided excellent leadership to steer various 'Make-in-India' programme in defence and other sectors, that has paid rich dividend to the Nation.

Dr. BHVS Narayana Murthy

Dr BHVS Narayana Murthy, DG (MSS) & Distinguished Scientist was appointed as Government Nominee Director of Our Company. Dr BHVS Narayana Murthy is a distinguished defence scientist and renowned for his R&D in the indigenous design & development of advanced Avionics technologies for defence and aerospace applications in India. As Director and Programme Director, he spearheaded Research Centre Imarat (RCI), an avionics laboratory of Dr APJ Abdul Kalam Missile Complex steering the design, development and delivery of Avionics and wide range of missiles & guided weapon systems. He graduated in Electronics and Communication Engineering from REC, Warangal, completed his M.Tech from JNTU, Hyderabad and received Ph.D in Computer Science from IIIT, Hyderabad. He joined DRDO in the year 1986. Dr Murthy is the Chief Architect of advanced Onboard Computer (OBC) technologies for missile systems and other defence applications. His sustained contributions and technology leadership over the last three decades has been transformative for making India self-reliant in advanced Real Time Embedded Computers, mission computing systems and other avionics technologies. He led the design and development of advanced Avionics for "Mission Shakti," India's first Anti Satellite Missile Test (A-SAT) and Long Range Missile Agni 5, elevating India into a league of select nations and strengthening indigenous defence capabilities. As Project Director, he led the conceptualization, design and development of the Smart Anti-Airfield Weapon (SAAW) and laid foundation for Long Range Smart Guided systems with precision strike capabilities. His R&D contributions had a major impact on the indigenization of critical Aerospace and Missile technologies. For his distinguished contributions, he has been conferred with Honorary Fellowship of Computer Society of India, elected as Fellow of the Indian National Academy of Engineering (INAE) and Indian Society of Systems for Science and Engineering. Other prestigious awards conferred on Dr Murthy includes Rocket and Related Technologies Award by the Astronautical Society of India, Agni Award for Excellence in Self Reliance, DRDO Scientist of the Year Award, Path Breaking Research/Outstanding Technology Development Award and DRDO Performance Excellence Award.

Shri. Chandraker Bharti

Shri Chandraker Bharti was appointed as Government Nominee Director of our Company with effect from February 02, 2021

He is an engineering graduate from Delhi College of Engineering, had joined Indian Administrative Service in September, 1996 (AGMUT). He has also acquired M.Sc degree in Public Management & Policy from London School of Economics & Political Science, U.K.

Shri Chandraker Bharti has more than 22 years of experience in Civil Services. He has held various important assignments, which include Additional Commissioner, Department of Sales Tax, Govt. of NCT of Delhi; Director, Ministry of Commerce & Industry, Govt. of India; Development Commissioner in various Government Departments such as Agriculture, Finance & Planning, Industries & Commerce, Information Technology, etc. in the Union Territory of Pondicherry. He had also served for a short period as Secretary, Health & Family Welfare and Environment & Forest Departments of Government of NCT of Delhi.

Shri Chandraker Bharti had joined as Joint Secretary in the Department of Defence Production, Ministry of Defence in April, 2017 and has been entrusted with the responsibility of Aerospace Division. He is also a Government Nominee Director (Part-Time Official Director) on the Board of Hindustan Aeronautics Limited.

Shri. N. P. Diwakar

Shri. N P Diwakar was appointed as Director (Technical) on the Board of BDL w.e.f 01 September 2018, prior to his appointment as Director, he served as Executive Director (Bhanur Unit) at BDL. Shri N.P. Diwakar is B.E., in Mechanical Engineering from Osmania University, Hyderabad. He has rich experience spanning over 28 years in various Missile programs such as Prithvi, Akash & ATGMs.

He worked in tandem with DRDO to realise the Prithvi & Akash Missile systems from Development Mode to Series Production Mode. He was instrumental in establishing production lines and man power planning of Akash Missiles and Konkurs Missiles to meet requirement of the Services, establishing production facilities for Astra Missile at Bhanur. Successfully negotiated with MOD, and received orders for Konkurs-M Missiles during March 2017. Prior to joining BDL, he worked for M/s. Oil & Natural Gas Corporation Ltd for Six years.

Shri. N.Srinivasulu

Shri. N.Srinivasulu assumed charge on 1 July 2020 as Director (Finance) of Bharat Dynamics Limited. A Bachelor in Commerce and an MBA in Finance from Osmania University, Hyderabad, Shri. Srinivasulu has rich experience in various areas of Finance spanning over 30 years, which includes 24 years in BDL. Prior to his new assignment, he has served as General Manager (Finance) at BDL. During his tenure at BDL, he has played an instrumental role in coordinating with anchor investors for the maiden IPO of the Company, implementation of Indian Accounting Standards, Treasury Management, Taxation, Budgetary Control and Policy formulation.

Shri. P. Radhakrishna

Shri. P.Radhakrishna has assumed charge on 1 June 2019 as Director (Production) of Bharat Dynamics Limited (BDL).Prior to his new appointment, Shri Radhakrishna served as General Manager in the Bhanur Unit of BDL where he played a key role in establishing the production line for Konkurs, Konkurs – M and Invar Anti-Tank Guided Missiles, Launcher & Rifles ensuring safe operations with an objective of reaching set targets.An M.Tech. in Industrial Engineering and Management from JNTU, Hyderabad and a B.Tech in Mechanical Engineering from Nagarjuna University in Andhra Pradesh, Shri Radhakrishna holds rich experience, spanning over 32 years, in various fields of Missile Production which includes areas like Component Production, Missile Integration& testing, Project Planning, Quality Control & Indigenization of Missile Systems.

He also established effective supply chain management in Anti- Tank Guided Missile Projects by developing multi-vendor base and import substitution.He played a key role in modernizing and establishing state-of-the-art manufacturing facilities to improve the productivity. He actively involved in the preparation, implementation of ISO9001:2008 Quality Management System throughout BDL, Bhanur Unit, which is now operating as aerospace standard AS9100D.

He has been nominated as Member of Technical Oversight Committee by the Ministry of Defence for procurement of modular combat management systems for the Indian Navy and preparation of Long Term Orders for Draft Indigenization Policy.

Shri. Sunil Chintaman Mone

Shri Sunil Chintaman Mone is a Mumbai based practising Chartered Accountant. After passing Bachelor of Commerce degree he cleared his CA exams in the year 1981. Presently he is associated as staff consultant of Asian Development Bank as Senior Financial Management Specialist for projects. He is also associated as Financial Management Specialist with Grant Thornton projects. Prior to this he has rich experience in private sector audits, taxation and was empaneled with SBI for industries loans assessments. He has 22 years experience also with Government sector and has been very active in Finance aspects of CSS schemes, PMGSY, MGNREGS, IWMP, IRRIGATION CORP, ULBs PFMS. Tourism etc. as Financial Advisor/auditor/controller/expert. He is a visiting faculty at C&AG, ICAI and YASHADA. He has contributed towards upliftment of society and has worked with Akhil Bharatiya Vanvasi Kalyan Ashram and other local NGOs.

Shri. Rajendra Singh Shekhawat

Shri Rajendra Singh Shekhawat has degree in B.SC (Science Graduate) and LLB and Retired as Add. Superintendent of Police (Rajasthan Police). He worked as Astt. Commissioner of Police and Addl SP Anti-Corruption Bureau in Rajasthan Police. He has received the President Police Medal, the highest award of the Police Department for Distinguished service awarded by the former President Shri APJ Abdul Kalam.

Shri. Nandakumar Subburaman

Nandakumar Subburaman (Nandu) is the Founder CEO of Perfint Healthcare (P) Ltd, Chennai, India and President of Perfint Healthcare Corporation, USA. Perfint is India's first Medical Robotics company. Perfint's award winning, patented technology is cleared by USFDA and CE and is installed at over 100 top medical Institutions around the world.

Prior to founding Perfint, Nandu served as Director – Process Excellence at Cognizant Technology Solutions (CTSH : NASDAQ) , as COO – Ambit Corporate Finance and VP - Finance, Wipro GE Medical Systems and Manager - Finance, GE Medical Systems, South Asia. He is an alumnus of the Indian Institute of Management, Lucknow, India and of the Government college of Engineering, Tirunelveli, India.

Dr. Pawan Sthapak

Dr. Pawan Sthapak has degree in MBBS, DOMS and MS. He is Director in Janjyoti Super Specialty Eye Hospital and Dada Virendra Puri ji eye Institute. He is a National Convenor of Cornea Andhtva Mukt Bharat Abhiyann (CAMBA) and also Executive Council Member of National Institute for the empowerment of the persons with visual disabilities (NIEPVD)GOI. In 2009 he was awarded by Indian Red Cross Society for delivering excellent Medicinal Services.

Prof. (Dr.) Sanghamitra Mishra

Prof. (Dr.) Sanghamitra Mishra is working as Additional Dean of Super specialty - DM/MCH program and Head of the department Critical Care Medicine at the Institute of Medical Sciences and Sum hospital, SIKHA 'O' Anusandhan University (A Deemed University declared u/s 3 of UGC Act 1956). She is one of the rare faculty having degree from Indian College of Critical Care medicine (Indian Diploma in Critical Care Medicine and Fellowship in Indian College of Critical Care Medicine), Fellowship in Cardiac Anesthesia from Narayan Hrudayalaya, Bengaluru, Certificate Course in Research Methodology from Indian Institute of Public Health, Research University Gandhinagar and Fellowship in 2D ECHO Cardiography (Medvarsity), Curriculum Design Course, NIHFW, New Delhi, in addition to her regular degree of M.D in Anesthesiology. She has 22 years of clinical and administrative experience in both private and public / Govt. health sectors namely MKCG Medical College Berhampur, SCB Medical college Cuttack, Kalinga Hospital Bhubaneswar, Narayan Hrudayalaya, Bengaluru, Sir Ganga Ram Hospital, New Delhi and IMS & SUM Hospital Bhubaneswar. She had been instrumental in starting the DNB program at Kalinga Hospital, BBSR.

CHAIRMAN'S STATEMENT

Dear Shareholders,

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

I take pleasure in sharing with you the 52nd Annual Report of the company, built over more than five decades of spirited and perseverant efforts of highly skilful work force of your Company.

The fact that your company's growth remained on course throughout the Financial Year 2021-22, despite disruption in operational environment and supply chains caused due to Pandemic, is impressive and bears testimony of hard work put forth by all the stakeholders associated with the company.

Government of India's initiatives to make India a World Class Manufacturing Hub for Defence Equipment has thrown plethora of challenges for your company to grow locally and globally. Your Company is working relentlessly to face these challenges and transform them into opportunities for growth.

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

FINANCIAL AND PERFORMANCE HIGHLIGHTS OF THE YEAR:

Your Company had performed extremely well during the last fiscal year despite many operational and technical challenges. During the year under review, your Company has achieved a revenue from operations of ₹2817 Crore as against the revenues of ₹1914 Crore of previous year, recorded a growth of about 47.18% YoY. Your Company has achieved Profit After Tax (PAT) of ₹500 Crore as against Profit of ₹258 Crore reported previous Financial Year.

I am extremely pleased to inform that your Company continues to maintain a consistent track record of dividend payment. Your Board has recommended a final dividend of ₹1.00 per equity share of ₹10/- each amounting to ₹18.33 Crore. It also gives me great pleasure in informing that your Company has paid an interim dividend of ₹7.30 per share in March 2022. The total dividend for the FY 2021-22 declared by the Company is ₹8.30 per share (face value of ₹10/-each).

PERFORMANCE VIS-À-VIS MoU:

In terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence(MoD), Government of India, your Company rated as "Good" for the year 2020-21 and for 2021-22 it is under evaluation.

SIGNIFICANT ACHIEVEMENT:

1) Highlights:

Azadi Ka Amrit Mahotsav

- BDL has organized a Product Exhibition at Kanchanbagh unit, Hyderabad, Telangana and Visakhapatnam Unit, Andhra Pradesh from 13th Dec to 19th Dec 2021 to commemorate 75 years of India's independence as a part of "Azadi Ka Amrit Mahotsav" being celebrated by the Nation.

Atmanirbhar Bharat:

- To pave the way for Atmanirbharata in Defence, BDL Signed MoU with UPEIDA (Uttar Pradesh Expressways Industrial Development Authority) to set up manufacturing facility for propulsion system which will be used for various types of missiles manufactured by the Company.
- BDL signed MoU with M/s.HEMRL for Consultancy service for establishment of EDB propellant facility at Jhansi, UP.

New Orders received during FY 2021-22:

During the year, BDL has bagged new orders worth ₹5198.10 Crore (gross) and has further strengthened the existing order book position. Some of the significant orders received during this year includes Konkurs-M ATGM, Astra Weapon System, Akash-IAF order, MRSAM(IN), IGLA-1M, PDV/AAD, Export orders like CMDS.

- Received supply order for Refurbishment of IGLA-1M missiles valued ₹471.41 Crore from Indian Army, MoD.
- Received supply order for Konkurs-M ATGM missiles valued ₹3131.82 Crore from IHQ, MoD
- Received supply order for export of Counter Measure Dispensing System (CMDS) from Airbus, Spain valued ₹173 Crore.
- Received supply order for Medium Range Surface to Air Missile (MRSAM) valued ₹278.63 Crore from Indian Navy, MoD.
- Received supply order for Astra Mark-I missiles, Launchers and associated equipment's valued ₹281.95 Crore from Indian Air force, MoD.
- Received supply order for Akash missiles worth ₹502.81 Crore from Indian Air force.

2) Anticipated Orders:

- Akash 3rd & 4th Regiment for supply of Akash Weapon System with the upgraded Akash Prime Missile. This is at the contract stage and also expected to be concluded shortly by MoD.
- BDL has signed a development cum production partner contract for Vertically Launched Short Range Surface to Air Missile (VLSRSAM) with DRDO. The VLSRSAM is for the Indian Navy and BDL is the sole production agency for this VLSRSAM System.
- RFP for further quantities of MRSAM from Indian Navy has been received and is to be processed. A contract is expected to be finalised in FY 2022-23.
- BDL is associated with DRDO for Smart Anti Airfield Weapon (SAAW) as a production agency. BDL is expecting an order for the same in FY 2022-23.
- BDL received a project sanction order from Indian Navy for development and manufacture of 5'' Mobile Target Emulator. The prototype is being developed by the Company and expected to be evaluated in FY 2022-23.

3) New Partners in pursuit of Technology Upgradation:

Technology Upgradation has always been an area of priority of your Company in order to keep pace with the current requirements in the global defence industry. In pursuit of this, your Company has entered into MoU/Teaming Agreement with the several entities like:

- M/s Tawazun Holding Company, UAE to identify different business opportunities and jointly implementing such business opportunities by way of definitive agreements.
- M/s Newspace Research and Technologies Pvt. Ltd., Bangalore for Product development including integration of BDLs payload(s) onto the NRTs platforms for military application, Technical support, Armament support & Infrastructure support.
- BDL is also in discussion with various Foreign OEMs for establishment of manufacturing facility in India for several new missile systems. BDL & Thales have signed teaming agreement for manufacturing of Laser Beam Riding Missile, and also submitted its proposal to Indian Army. The ToT for this Project is planned in a phased manner and with maximum IC (Indigenous Content).
- BDL & MBDA France/UK have entered into an offset agreement as well as MoU for establishment of Final Assembly Integration and Testing in India of ASRAAM & Mistral Missiles.
- BDL & ROXEL are in discussion to form a JV in India for setting up a facility to manufacture EDB propellants for Missiles and Rockets.
- BDL & RAFAEL have signed an MoU for developing and manufacturing an Anti-Torpedo Decoy System for Indian Navy under the make II and are working to conclude a teaming agreement.

4) New Infrastructure:

Your Company has taken several initiatives in setting up new infrastructure facilities. During the year under review your Company has taken initiative to establish warhead manufacturing facility and RF seeker facility. New facilities like SMD line and High Computing facilities have also been setup.

5) Major milestones achieved:

Your Company has achieved significant milestones during the year. Some of these include:

- The first Medium Range Surface to Air Missile (MRSAM) for delivery to Indian Air Force was flagged off by Director General (Missiles & strategic systems).
- Guided Flight trials of MPATGM (Man Portable Anti-Tank Guided Missile) with critical sub systems i.e. Seeker, OBPP (On Board Power Pack) and CAS (Control Actuation System) was successfully test fired by DRDL. BDL team was involved in integration and testing of these Missiles.
- The second control flight of Akash-NG (New Generation) was successfully test fired to ascertain the repeatability of performance and also first guided test with Indigenous RF Seeker was test fired successfully. BDL team was actively involved in integration, testing and check out at Akash NG facility created.
- New version of Akash Missile- "Akash Prime" has been successfully test fired from integrated Test Range (ITR), Odisha. The missile intercepted and destroyed an unmanned aerial target mimicking enemy aircrafts. BDL team is involved in integrating and testing the missiles.
- DRDO successfully test fired surface-to-surface Inter Continental Ballistic Missile (ICBM) Agni-5 from the APJ Abdul Kalam Island, Odisha. BDL team is involved in Rocket Motors integration, Explosives, Final Integration, Testing, Canisterization of Missile and Checkout of A5 Systems.
- Medium Range Surface to Air Missile (MR SAM) Army weapon system has once again proved its effectiveness as two missiles, during the flight tests, achieved direct hits against high speed aerial targets at integrated test range, Chandipur, Odisha.
- Varunastra, first time ever combat mode firing to test the maximum endurances of the batteries (combat for full length of 20 Km) has been successfully conducted and has met the mission requirements and objectives. Apart from this, three regular practice firings were successfully conducted.

6) Quality Systems

Being a missile manufacturing Company producing single shot devices, quality of the product is of paramount importance and your products should work the first time and every time. Hence, these products require stringent Quality standards and high degree of reliability. In pursuit of this objective, your Company is always on lookout for acquiring internationally renowned quality standards. As you are aware, the production Units in Kanchanbagh and Bhanur units are certified with International Aerospace Quality Management Standard AS 9100D.

- Your Company has received Green Channel Certification for Konkurs Launcher Spares in Bhanur Unit.
- Design & Engineering division and Component Production (CP) Divisions of BDL Kanchanbagh Unit, have been re-certified with Aero Space Quality Standard AS9100D including ISO 9001:2015 by the Certification body M/s NVT Quality Certification Pvt Ltd, Bengaluru.
- Information Security Management System (ISMS) of BDL Kanchanbagh & Bhanur units have been certified with ISO/IEC 27001:2013 dated 06 April 2021 by the Certification body M/s AQC Middle East LLC, Noida. This certificate is valid for 3 years.
- Electronics Division of Kanchanbagh unit has been Re-certified with Aero Space standard (AS9100D) w.e.f 10 November 2021 by the Certification body M/s NVT Quality Certification Pvt Ltd, Bengaluru. This certificate is valid for 3 years.
- BDL, Bhanur Unit has been re-certified with Aero Space Quality Standard AS9100D including ISO 9001:2015 by the Certification body M/s NVT Quality Certification Pvt Ltd, Bengaluru. This certificate is valid up to 2024.

7) New Initiatives:

Your Company have taken the following new initiatives during the year.

- Foundation stone for new manufacturing unit of BDL was laid by Hon'ble Prime Minister of India Shri. Narendra Modi on 19 November 2021 at Jhansi in the UP defence Corridor. New Unit will be used for manufacturing of Propulsion Systems for all Anti-Tank Guided Missiles (ATGMs) and futuristic missiles manufactured by the Company.

- Foundation stone laid at BDL Vishakhapatnam unit for setting up environmental testing facility- a first of its kind in the Country by Chief of Staff Eastern Naval command on 02 July 2021.

8) Research and Development (R&D):

Your Company is continuously engaged in new product development & up-gradation of existing products to meet customer requirements. As part of it, your company's Design & Engineering division is focusing on following projects:

- **Amogha-III:**
  - BDL has been designing and developing Amogha-III, 3rd Gen Man Portable ATGM as per the Project Sanction Order issued by Indian Army under Make II Category.
  - Prototypes of all sub-systems have been developed. Assembly / Integration and Lab test of Sub-Systems have been conducted.
  - Field firing tests of the missile were conducted at various stages of development during 30 Sep 2019 to 28 Feb, 2022.
- **Counter Measures Dispensing System (CMDS) for C295 aircraft:**

  BDL has been developing CMDS for C295 aircraft. BDL has signed an export contract for the CMDS with aircraft manufacturer M/s Airbus Defence & Space, Spain.
- **Konkurs Launcher Test Equipment (KLTE) Ver. II and Konkurs Missile Test Equipment (KMTE) Ver. II:**

  BDL designed and developed Konkurs Launcher Test Equipment (KLTE) and Konkurs Missile Test Equipment (KMTE). Series production of these test equipment was started this year against an order of ₹ 86 Crores from Indian Army.

9) Corporate Governance:

Your Company has a well-established relationship between a company's management, its Board, its shareholders and other stakeholders. With its well laid down principles, policies, procedures, and clearly defined responsibilities and accountabilities, your company has perfect means of attaining the objectives and systems of monitoring performance.

Your Company conduct 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 and corruption were reported.

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

I am glad to inform that your company has been rated consistently as "Excellent" by MoD in the Corporate Governance category, which itself is a testimony for its established mechanisms, relations, regulations and processes by which it is governed.

10) Corporate Social Responsibility and Sustainability Development:

BDL is conscious about 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 & 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).

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

- Promoting Education (Distribution of Dual Desks to Govt. Schools at Bhadradri Kothagudem an Aspirational Districts in Telangana State) with ₹ 80 lakh through Central Prisons.
- Construction of Girls Toilets in Govt. Schools located at Rajanna Sircilla District, Telangana State with ₹100 lakh.
- Job oriented Skill Development training in textile industry for women folks at Vizianagaram an Aspirational Districts in Andhra Pradesh with ₹140 lakh.
- Tool Kit distribution to PwBDs through M/s. National Handicap Financial Deployment Corporation with ₹10.64 lakh.

- In view of prevailing pandemic situation in the country, BDL contributed for COVID related projects viz.:
  - Contribution of ₹200 lakh to the Atal Bihari Vajpayee COVID Hospital at Lucknow.
  - Contribution of ₹300 lakh for procurement of COVID related Medical Equipments at Naval Hospitals.
  - Commissioning of oxygen generation plants with estimated cost of ₹400 lakh, in four Govt. Hospitals in Telangana.
  - Contribution of ₹170 lakh for providing separation facilities to COVID patients at ESIC Medical College, Hyderabad.

FUTURE OUTLOOK:

Your Company will witness a high growth in the coming years. As on date, the order book position of your company is around ₹13140 Crore (Gross). The order book position is picking up and we are further able to consolidate our orders which are in various stages of finalization. We expect an order book of ₹25,000 Crore in the next 2 years.

Restriction imposed by the GoI in the term of negative list of imports in different phases has opened up an opportunity to get continuous orders for these products from the Indian Armed Forces in the ensuing years which will help to sustain the BDL order book as well as further growth of the Company.

In the export market, there is an interest for BDL's product 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 by BDL on the necessity of realizing export order and the Company is pursuing the same aggressively.

Your Company is confident on the returns that will be recovered due to the policy initiates of the government & the ease of doing business in the country.

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

ACKNOWLEDGEMENT:

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

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

I also thank the Board Member for their valuable & encouraging support in the functioning of the company.

Finally, let me assure you that your Company is poised to reach greater heights & 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 years, and I am even more optimistic about the opportunities ahead.

Jai Hind!!!

Date: 26 May 2022
Place: Hyderabad

Cmde Siddharth Mishra(Retd)
Chairman & Mangaing Director
DIN: 08367035

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, Counter Measures Dispensing System (CMDS) and Test Equipment. The Company also undertakes life-extension and refurbishment of missile systems. Currently, it is the sole supplier of SAMs and ATGMs to the Indian Armed Forces.

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.

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 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.

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.

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.

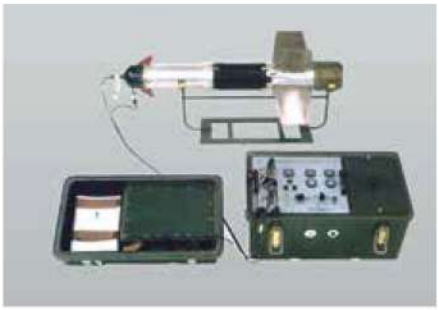
Light Weight Torpedo

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

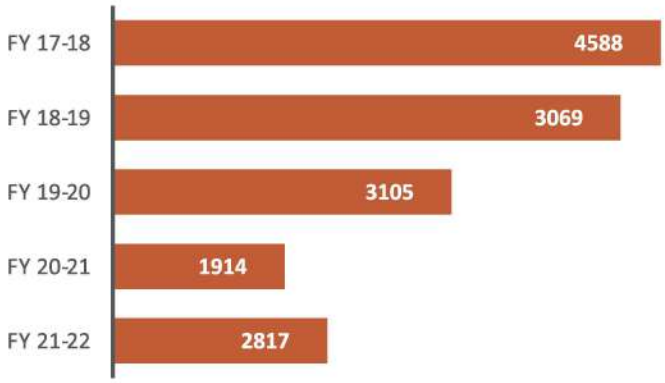


Missile and Launcher Test Equipments

FINANCIAL HIGHLIGHTS

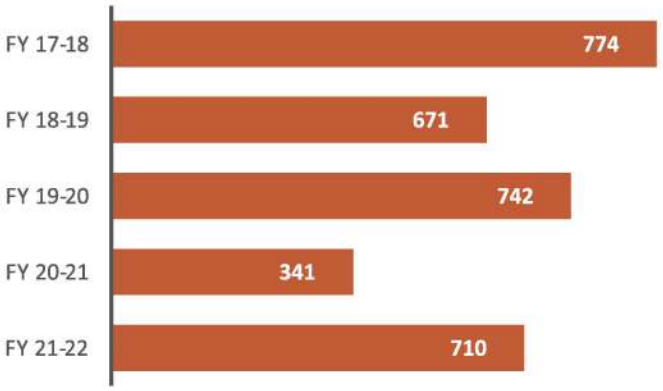
TURNOVER

(₹ in crore)



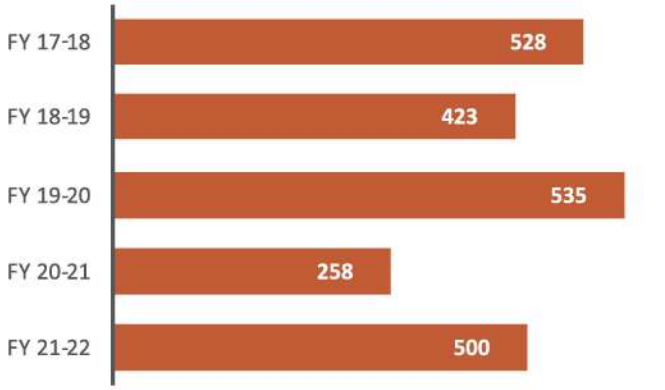
PROFIT BEFORE TAX

(₹ in crore)



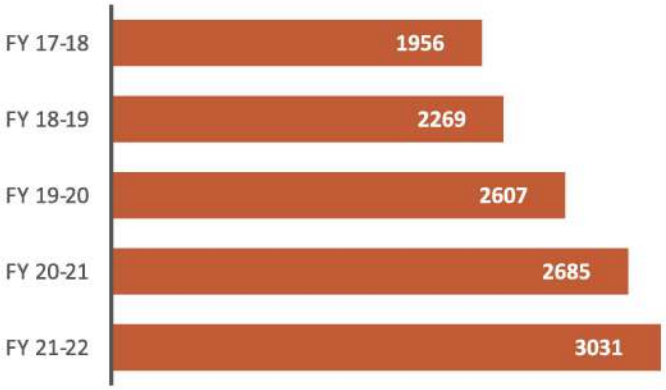
PROFIT AFTER TAX

(₹ in crore)



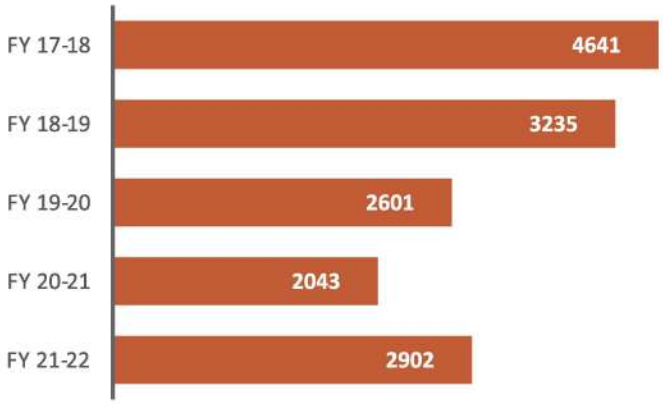
NET WORTH

(₹ in crore)



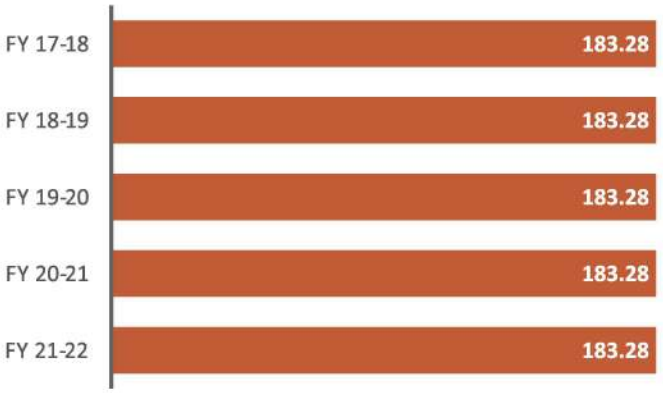
VALUE OF PRODUCTION

(₹ in crore)



EQUITY

(₹ in crore)



TEN YEARS AT A GLANCE

Particulars	Units	2021-22*	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*	2014-15	2013-14	2012-13
Sales (Gross)	₹ Cr.	2817.40	1913.76	3104.87~	3069.35&	4587.60	4886.62	4159.97	2799.68	1779.89	1074.71
Changes in WIP/SIT	₹ Cr.	84.36	128.91	(503.66)	165.87	53.70	124.38	137.86	(29.63)	24.60	100.81
Value of Production	₹ Cr.	2901.76	2042.67	2601.21~	3235.22	4641.30	5011.00	4297.83	2770.05	1804.49	1175.52
Material Consumption	₹ Cr.	1263.37	970.08	1014.09~	1818.97	2907.59	3125.23	2620.30	1855.10	1226.01	779.57
Value Added	₹ Cr.	1638.39	1072.59	1587.12~	1416.25	1733.71	1885.77	1677.53	914.95	578.48	395.95
Profit Before Tax	₹ Cr.	709.91	340.88	742.45	671.36	773.82	802.81	847.31	614.19	508.59	419.06
Profit After Tax	₹ Cr.	499.92	257.77	534.90	422.59	528.15	524.06	564.88	418.57	345.51	288.40
Equity	₹ Cr.	183.28	183.28	183.28	183.28	183.28	122.19	97.75	115.00	115.00	115.00
Reserves & Surplus	₹ Cr.	2847.28	2501.47	2423.55	2085.26	1773.10	2072.79	1702.27	1418.58	1102.97	838.30
Gross Block (Excl.Cap.WIP)	₹ Cr.	1451.08	1368.51	1291.36	1219.61	1048.62	869.66	746.38	940.04	834.56	711.55
Inventory	₹ Cr.	1654.45	1397.01	856.52	1664.53	1925.87	2240.42	2057.66	1480.12	1382.51	1006.53
Trade Receivables	₹ Cr.	1495.36	1475.20	2676.19~	1844.53	2208.13	1735.36	1478.22	865.72	398.81	281.55
Working Capital	₹ Cr.	2942.18	2378.03	2259.40	1390.38	1085.68	1569.75	2052.30	2740.34^	812.68$	614.58$
Capital Employed	₹ Cr.	2973.45@	2637.01@	3191.76	2347.34	1954.05	2326.87	2745.18	3134.20^	1172.29$	892.59$
Net Worth	₹ Cr.	3030.56	2684.75	2606.83	2268.55	1956.38	2194.98	1800.02	1533.37	1217.75	935.08
Number of Employees	Nos.	2674	2812	2950	3034	3095	3182	3132	3183	3266	3300
Employee Costs	₹ Cr.	570.66	501.09	534.03	534.21	529.34	448.39	326.23	313.07	307.28	258.99
Value Added per ₹ of Wage	₹	2.87	2.14	2.97~	2.65	3.28	4.21	5.14	2.92	1.88	1.53
Value Added per Employee	₹ Lakh	61.27	38.14	53.80~	46.68	56.02	59.26	53.56	28.74	17.71	12.00
Earnings per Share (EPS)	₹	27.28	14.06	29.18	23.06	26.65	24.51!	42.73!	36.40!	30.04!	25.08!

~ 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 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 present the 52nd Annual Report together with the audited financial statements of the Company for the year ended 31 March 2022.

1. HIGHLIGHTS OF OPERATIONS :

- Your Company has achieved sales turnover of ₹2817 Crore during the fiscal year and registered a strong recovery of about 47.18% jump in turnover over that of previous year.
- Your Company has proposed to establish its new Production Unit at Jhansi, UP Defence Corridor and its foundation plaque was digitally unveiled by Hon'ble Prime Minister of India on 19 November 2021. The new Unit will be used for manufacturing of Propulsion Systems for all Anti-Tank Guided Missiles (ATGMs) and futuristic missiles manufactured by the Company.

- During the year, Konkurs – M, Anti-Tank Guided Missiles Order has been executed completely. Further, your Company has signed a new contract with Indian Army for manufacture and supply of Konkurs-M Missile worth about ₹3131.82 Crore. The order has to be executed in next three years.
- Your Company has received first refurbishment order worth about ₹471.41 Crore from Indian Army. After the refurbishment, a fresh lease of life will be given to the missile for a period of ten years.
- A new version of Akash Missile has been successfully test fired. The missile intercepted and destroyed an unmanned aerial target mimicking enemy aircrafts. Your Company is involved in integrating and testing the missiles.
- DGQA, Govt. of India has accorded "Green Channel Certification" to your Company for Konkur-M Launcher spares, providing more thrust to self-certification under "Make in India".

2. FINANCIAL RESULTS AND PERFORMANCE HIGHLIGHTS :

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

Particulars	₹in Crore		% of Increase/(Decrease)
	2021-22	2020-21	
Sales/Revenue from Operations	2817	1914	47.18
Value of Production	2902	2043	42.00
i) Import Material Consumed	271	277	(2.16)
ii) Indigenous Material Consumed	992	693	43.19
Total Material Consumed	1263	970	30.23
Value Added	1639	1073	52.66
Profit Before Tax	710	341	108.21
Profit After Tax	500	258	93.80
Earnings per share# (in Rupee)	27.28	14.06	94.03
# EPS has been calculated based on profits excluding the other comprehensive income. * Figures have been reclassified and regrouped.			

2.2 Following data reflect the financial position of the Company:

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2021-22	2020-21	
Gross Block (Excl. CWIP)	1451	1369	5.99
Accumulated Depreciation	577	454	27.09
Net Block	874	915	(4.49)
Working Capital (Net)	2942	2378	23.72
Capital Employed	2973	2637	12.76
Net Worth	3031	2685	12.89

2.3 **COVID-19:** The supply chain disruptions due to COVID-19 pandemic had adversely impacted the production and sales during the first two quarters of the financial year 2021-22 and preceding financial year. Your Company's manufacturing activities have come to normalcy post easing of restrictions and improved mobility and with the vaccination drive picking up the momentum. The supplies are back in track and required input materials are also being received in time. The FY 2021-2022, being the second year of the COIVID-19 pandemic, the Company has considered internal and external sources of information up to the date of approval of these financial statements in evaluating possible effects that may result from the pandemic on the carrying amounts of trade and unbilled receivables, investments, goodwill and intangible assets. The Company is confident about the recoverability of these assets.

2.4 During the year under review, your Company has achieved revenue from operations of ₹2817 Crore as against the revenues of ₹1914 Crore of previous year. Your Company has recovered very well post Covid pandemic and registered a growth of 47.18% over the previous year. Though there are some technical issues, your Company has come up well by resolving one by one and achieved turnover of ₹2817 Crore and production of ₹2902 Crore. This is a good jump as compared to last year and we expect that this growth momentum to continue for the current financial year also. Your Company has achieved the profit before tax (PBT) of ₹710 Crore as against ₹341 Crore of previous, marking a remarkable comeback post Covid. The profit after tax stood at ₹500 Crore as against ₹258 Crore of previous year. The profit margins are also improved significantly due to increase in operational efficiency, manufacturing activities and changes in product-mix.

Impact of Russia-Ukraine War :

During the year, your Company did not have any impact on account of Russia-Ukraine war and further do not envisage any major impact in the financial year 2022-23.

Impairment Loss- Exceptional item:

Your 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 compensation to the company. The period of extension was last extended upto 5th April 2019. As the project for which land was acquired is yet to be received from GoI, your company could not commence / complete the activities envisaged in the lease agreement. Explaining the force majeure condition your company represented to the state government for condonation of delay and extension of time. Pending receipt of extension of time period, your company has provided for impairment amounting to ₹3358.57 lakh during 2021-22.

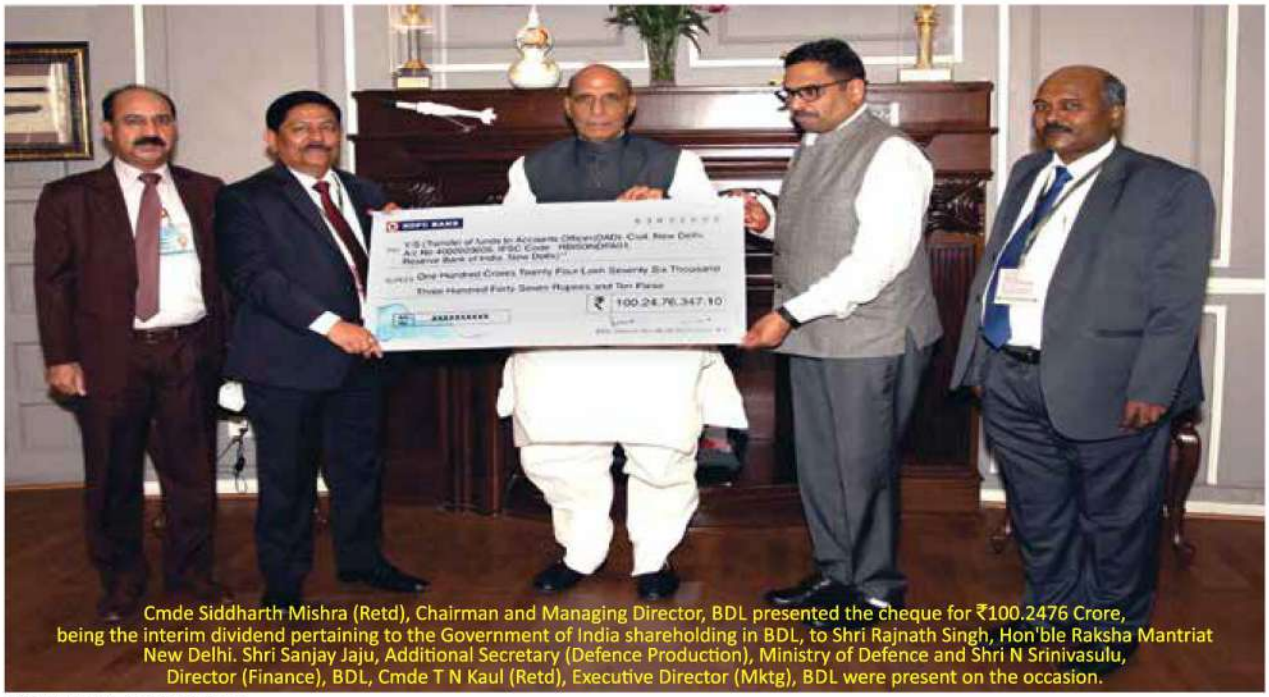
2.5 The major products executed during the year are ATGMs, Akash-SAM, Varunastra and MR-SAM. The order book position of the Company as on 01 April 2022 is about ₹10170 Crore comprising mainly of various defence products.

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 /- per equity share of ₹10/-each amounting to ₹18.33 Crore for the year 2021-22. Further, your Company has paid interim dividend of ₹7.30 per share amounting to ₹133.80 Crore in February, 2022. An amount of ₹400 Crore is being transferred to General Reserve for the year 2021-22.



Cmde Siddharth Mishra (Retd), Chairman and Managing Director, BDL presented the cheque for ₹100.2476 Crore, being the interim dividend pertaining to the Government of India shareholding in BDL, to Shri Rajnath Singh, Hon'ble Raksha Mantriat New Delhi. Shri Sanjay Jaju, Additional Secretary (Defence Production), Ministry of Defence and Shri N Srinivasulu, Director (Finance), BDL, Cmde T N Kaul (Retd), Executive Director (Mktg), BDL were present on the occasion.

5. CAPITAL STRUCTURE:

The paid up capital of the Company as on 31st March, 2022 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 2022.

As on 31 March 2022, 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 2020-21 was rated as "Good" and the performance for the year 2021-22 is under evaluation.

7. MODERNIZATION, UPGRADATION AND INDIGENIZATION:

7.1 During the year, an amount of ₹103 Crore has been spent on Capital Expenditure (CAPEX) programme towards modernization of Plant & Machinery and other infrastructure development. During the year under review, your Company has taken initiative to establish war head manufacturing facility, RF seeker facility, High Temperature Carbon Composite Manufacturing facility and implementation of Industry 4.0. New facilities like SMD line and High Computing facilities have also been set up.

7.2 Your Company is putting up determined efforts towards increasing Indigenisation contents in the manufacture of ATGMs, SAMs and Torpedoes with the objective of the increasing self-reliance, reduction of imports. Indigenisation of products like Konkurs-M, Invar, Milan-2T, Akash, TAL-XP and Varunastra has been achieved up to 96.3%, 87.9%, 71%, 96%, 91% and 86% respectively.

8. RESEARCH & DEVELOPMENT:

8.1 Your Company recognizes that Research and Development (R&D) is a thrust area for the growth of the organization. Your Company has identified various products to meet the requirements of Indian Armed Forces. The major R&D achievements of your Company during the year are as given below:

Counter Measures Dispensing System (CMDS) for C-295 Aircraft:

Your Company has signed a contract with M/s Airbus Defence and Space, Spain on 17th Nov, 2021 for development and supply of CMDS for C-295 Aircraft. CMDS is an airborne defensive system to provide self-protection to the aircraft by dispensing chaffs and/or flares to defeat radar-guided or heat-seeking missiles. CMDS for first two ship sets will be developed and delivered by December 2022.

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

(₹in Crore)

Particulars	2021-22	2020-21	2019-20
Sales Turnover (Gross)	2817.40	1913.76	3104.87
R&D expenditure	48.14	42.95	73.87
R&D expenditure as % of Sales Turnover	1.71%	2.24%	2.38%
PBT	709.91	340.88	742.45
R&D expenditure as % of PBT	6.78%	12.60%	9.95%

9. PROCUREMENT FROM MSMEs

9.1 In line with the Procurement Policy of Government of India, Your Company has achieved more than mandated procurement of 25% from MSMEs. During the year 2021-22, your Company has procured 29.72% of goods & services worth about ₹ 522.99 Crore from MSMEs out of its total procurement of ₹ 1759.52 Crore and achieved mandated target of 25% from MSMEs.

9.2 **Vendor Development:**

Your Company strives to increase vendor base through conducting special drives and also by providing free registration in certain cases. The vendor registration process has also been simplified to facilitate new vendors registration. A total of 8 vendor meets have been conducted in the year 2021-22. Your Company has over 1000 registered vendors on its rolls as on date. Further, your Company also put in place updated Integrity Pact as per the directives of Central Vigilance Commission latest circular issued on 25 January 2022 and follows the Standard Operating Procedure contained therein.

9.3 **Government e Market Place (GeM):**

Your Company is registered with Government e-Market Place (GeM) as a Buyer and Seller. All common items/services are being procured through GeM. During the year, your Company has procured Common goods/services worth about ₹92 Crore through GeM.

10. Exhibitions:

Senior Executives and Directors participated in National and International Exhibitions during the Year 2021-22.

The Dubai Air show 2021, held from 14 Nov 2021 To 18 Nov 2021

EDEX 2021 (Egypt Defence Expo 2021) exhibition held from November 29 to December 2, 2021, at the Egypt International Exhibition Center, New Cairo, Egypt.

Delegation from MBDA France to BDL

11. EXPORTS :

11.1 Your Company has given thrust on export of Weapon Systems. Ministry has created lot of opportunities for export market and accordingly your Company has bagged five export orders till date towards export of Light Weight Torpedoes to a friendly foreign Country through a private channel partner. Out of five, four export orders were already supplied and fifth order is under execution and will be completed as per the contract terms. Your Company also bagged another export order for supply of CMDS to Airbus, Spain. Currently, the total export orders under execution is about ₹349 Crore. The Company is looking at capacity enhancement by modernization to help further exports.

11.2 Your Company has been in regular interaction with overseas customers for achieving its export targets. Offset implementation also offers a major opportunity to achieve export targets. Your company is regularly interacting with aero-space and defence majors in Europe and Russia to seize opportunities arising out of offsets. Recently Cabinet Committee on Security (CCS) also accorded clearance for export of Akash Weapon Systems to nine countries. Your Company has received leads for export of Akash Weapon Systems to friendly foreign countries, which is expected to be materialized in next one or two years. Your Company is also executing projects like Heavy Weight Torpedo, CMDS, ATGMs, Air to Air Missiles, Air to Surface weapons under the MAKE IN INDIA category, which will cater to the export market in addition to the requirements of Indian Armed Forces.

12. ATMA NIRBHAR BHARAT & INDEGINISATION:

12.1 Your Company has been focusing on indigenizing the technology for self-reliance from the day contract is signed. Your Company manufactures missiles under Technology of Transfer (ToT) from DRDO and from Foreign OEMs (Original Equipment Manufacturers). In the case of Foreign OEMs designed products, the Technology Transfer was only 63%, but your Company through its Indigenization initiatives, has achieved Indigenization levels of more than 80% to 90% in most of the products. In the case of DRDO designed products, Indigenization level of more than 90% was achieved in most of the products. Your Company is putting all out efforts to achieve higher levels of indigenization for all the products. In the recent years, your Company has been outsourcing to the extent of 60% across its projects barring critical items and weapon system integration.

12.2 As a part of Atma Nirbhar Bharat, your Company has made an Indigenization Plan for the next five years and set a target of indigenization of 166 items. During the year 2021-22 all 53 items as per the target were indigenized and the value of imports was reduced to a greater extent.

12.3 **Azadi ka Amrut Mahotsav:**

Your Company has organized a Product Exhibition at Kanchanbagh unit, Hyderabad and Visakhapatnam Unit, Andhra Pradesh from 13 December to 19 December 2021 to commemorate 75 years of India's independence as a part of "Azadi ka Amrit Mahotsav" being celebrated by the Nation.

Various Awareness/Training programs on "Atma Nirbhar Bharat Mission" were conducted on 01 April 2021, 23 June 2021 & 15 September 2021 across the Company encouraging all employees to take indigenization initiatives at the Workplace.

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 in recruitments.

13.2 Total manpower strength as on 31 March 2022 is at 2674 (including four functional directors). Of the total strength, 87 are ex-servicemen, 529 are of Schedule Caste, 208 are of Scheduled Tribes and 781 are of OBC category. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees is at 19.78% and 7.78% respectively.

13.3 The No. of Scheduled Caste, Scheduled Tribes and OBC in various categories of posts as on 31 March 2022 is given below:

Category	Number of Employees							
	Total Strength		Scheduled Castes		Scheduled Tribes		OBC	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Group-A	755	794	145	151	81	82	158	160
Group-B	65	71	16	16	4	4	22	22
Group-C	1649	1682	316	316	109	107	527	514
Group-D	189	225	48	61	14	16	72	84
Temporary	12	36	4	6	0	2	2	9
Total	**2670***	**2808***	**529**	**550**	**208**	**211**	**781**	**789**

*excluding four functional directors.

13.4 Recruitment of employees in Scheduled Caste, Scheduled Tribes, OBC, EWS during 2021-22 is given below:

Classification of posts	Total Vacancies Released	Total Recruitment	Reservation of posts (out of Col.2)				Recruitment made during the year 2021-22			
(1)	(2)	(3)	(4)				(5)			
			SCs	STs	OBC	EWS	SCs	STs	OBC	EWS
Group-A	4		1	0	1	0	0	0	0	0
Group-B	0		0	0	0	0	0	0	0	0
Group-C	0		0	0	0	0	0	0	0	0
Group-D	0		0	0	0	0	0	0	0	0
Total	**4**		**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**

14. EMPLOYMENT OF WOMEN:

14.1 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 2022 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	65	10	15.38
II	84	9	10.71
III	146	24	16.44
IV	223	34	15.25
V	91	7	7.69
VI	165	14	8.48
VII	35	1	2.86
VIII	8	1	12.50
IX	3	-	-
Functional Directors	3	-	-
CMD	1	-	-
Total	**824***	**100**	**12.14**

* CVO is not included in this report.

II. NON-EXECUTIVES

Grade	No. of Employees	Women	Percentage
WG-0	-	-	-
WG-1	3	-	-
WG-2	68	13	19.12
WG-3	91	13	14.29
WG-4	210	23	10.95
WG-5	274	18	6.57
WG-6	177	37	20.90
WG-7	189	28	14.81
WG-8	55	7	12.73
WG-9	47	4	8.51
WG-10	84	2	2.38
WG-11	23	-	-
WG-12	617	46	7.46
Total	**1838**	**191**	**10.39**

14.2 PERSONS WITH DISABILITIES (PWD) AS ON 31 MARCH 2022:

The total number of Physically Challenged employees as on 31 March 2022 is 99 and its percentage to total employees works out to 3.70.%.

	HI	LD	VI	Total
Group-A	6	13	5	24
Group-B	0	0	0	0
Group-C	18	40	8	66
Group-D	2	4	3	9
Total	**26**	**57**	**16**	**99**

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

15. HUMAN RESOURCE DEVELOPMENT:

During the year under review, your Company has conducted training programmes for 416 Executives and 273 Non Executives to impart training on knowledge based, development oriented and on need based topics. Such training programmes were organized in-house and at premises of external agencies to cover the present and future requirements of the Company.

Apart from regular training programmes, your Company has organized the following special training programmes during the year:

i) Mid-Career Development Programme (MCDP) – A two-week Mid-Career Development Program was launched with the theme of “Abhyudaya” for Mid-Level Executives consisting of Managers, Senior Managers and Deputy General Managers, who have completed 15 years of service in the Company and has left over service more than a year.

ii) The programme focuses on overall transformation of the Executives from Operational Managers to Tactical Managers.

iii) In line with CVC guidelines, Preventive Vigilance Module was incorporated in the Training content for two days.

iv) Sessions on Missile technology, Industry 4.0 were conducted along with Industry visit to Tata Aerospace Ltd. which is also in the process of implementing Industry 4.0.

v) Sessions on "Healthy life-style to reduce stress" and "Yoga" are conducted to encourage them to practice Yoga as part of their daily life-style to maintain a balanced body and mind for a healthy living.

vi) A total of 70 Mid-Level Executives have been trained in MCDP in two batches during the year 2021-22.

vii) On International Day of Disabled Persons, 2021, a one-day In-house Workshop with the theme of "UDAAN – Unleashing the power within" was conducted on 03 December 2021 for all PwBDs of BDL, with the Guest Speakers who are specially-abled and achievers in their own field of interest. The Workshop has helped the PwBDs to get motivation and perform even better in their duties.

viii) A total of 88 Employees (53 Women and 35 Men) have been imparted training on "Awareness Programme in POSH Act" during the year 2021-22.

16. 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.

17. FOREIGN VISITS:

Your Company incurred an expenditure of around ₹ 1.72 Crore during the year under report towards foreign travel for business trips and also for on the Job-Training of personnel.

18. INDUSTRIAL RELATIONS AND EMPLOYEE WELFARE:

18.1 Your Company continues to enjoy cordial and harmonious Industrial relations with the cooperation and support of all sections of employees viz. Recognized Trade Union, Associations such as SC, ST, OBC, Ex-serviceman and Officers Association. All Statutory and Non-Statutory Committees such as Works Committee, Safety Committee, Canteen Management Committee, Welfare Committee and other participative forums have extended their co-operation to maintain discipline at all levels.

18.2 Compliance on statutory welfare provisions are followed meticulously. The Company has been taking care of medical needs of employees and their family members as per BDL Medical Rules. Further, in line with DPE guidelines, Company has framed Pension Scheme and Post-Superannuation Medical Benefit Scheme for the Executive and Non– Executive employees of the Company.

18.3 In the ongoing pandemic situation, the recognized union as well as associations are extending full support to Management in maintaining the production activities by scrupulously following all Covid protocols.

19. SECURITY:

19.1 Central Industrial Security Force (CISF) is providing Security and Fire Services in both Kanchanbagh and Bhanur Units. During the year under report, CISF has played a vital role in the Security and safeguarded the Company Property. CISF team adopted robust security measures combining physical measures with technology to keep the highly sensitive installations secure even in the pandemic covid-19 situations.

19.2 The Plant Security Council is in place to review the security arrangements and implementation of IB guidelines. Regular security review meetings are being conducted both by Management and CISF to beef up security.

19.3 As a part of security measures and to comply with the statutory governing bodies guidelines, your Company is in process of upgradation of existing Access Biometric control systems with contactless Face Recognition system suitable to thwart the ongoing pandemic Covid - 19 situation, in addition to the computerized photo identity cards, to prevent any unauthorized entry. CCTV cameras have been installed all over the factory premises to cover more areas under CCTV surveillance. Door frames, metal detectors, X-Ray Baggage machines are in place. Barricades, Boom Barriers and Morchas are provided to strengthen physical security measures.

19.4 Your Company conducts regular programmes on security and safety awareness besides observing Security Week/Fire Week. Employees are sensitized on the security threat and action to be taken in case of emergency and fire accidents.

20. SAFETY:

20.1 Your Company is strictly following applicable norms to maintain Safety, Health and Environment (SHE) at BDL. The two Safety Committees i.e. Industrial Safety Committee and Explosive Safety Committee are monitoring at regular intervals to maintain Safety, Health and Environment (SHE) at BDL. The Industrial works are carried out in compliance with the Factories Act 1948, and Explosive Safety is strictly adhering to the Storage & Transport of Explosive Committee (STEC) regulations framed by Centre for Fire, Explosive & Environment Safety, (CFEES) MoD, New Delhi. The safety related issues are reviewed at regular intervals by Executive Director & Unit Head. Annual explosive safety audit is being conducted by Centre for Fire, Explosive & Environment Safety (CFEES) New Delhi and the observations made by the audit team have been complied with. Fire mock drills are conducted at regular intervals to ensure fire-fighting preparedness.

20.2 51st National Safety day was observed on 4 March 2022. On this occasion banners were displayed and Safety pledge was administered by all employees in the workplaces of concerned departments. National Safety Council also conducted a webinar on 51st National Safety Day.

20.3 As a part of induction programme to new Project Engineers & Project Officers, Safety Department has conducted a class on both Industrial & Explosive safeties. Special medical checkups are carried out for employees working in Electroplating and Canteen departments. Periodical medical checkups are also carried out for employees working in other areas by qualified medical team.

20.4 Safety Engineering Department is in continuous interaction with Inspector of Factories, Telangana, State Pollution Control Board (TSPCB) and Centre for Fire, Explosive & Environment Safety (CFEES) MoD, New Delhi to update their guidelines for compliance.

21. ENVIRONMENT AND POLLUTION CONTROL:

21.1 All three Units of BDL i.e. Kanchanbagh, Bhanur and Visakhapatnam have been re-certified with ISO 14001:2015 (EMS). As a part of ISO 14001_2015 (EMS) noise levels were recorded and the same was submitted to EMS- Core team and also to external auditors on 3rd to 5th March (EMS-Surveillance Audit-2022). Your Company has issued circular to curb / discourage the use of plastics. E-waste and Hazardous waste is being disposed through agency registered with Pollution Control Board. Solid Waste such as ferrous and non-ferrous metal is being disposed through M/s MSTC (A Govt. of India Undertaking), proper housekeeping is being maintained in the premises. Biomedical waste is also being disposed through agency registered with Pollution Control Board.

21.2 Your Company 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 your Company. Total treated water from sewage treatment plant is also utilized for gardening purpose inside the premises.

21.3 For all the units, internal audits and surveillance audits are conducted by certification bodies as per frequency. The solid and hazardous waste are being disposed through certified agencies and testing of environmental parameters of Ambient Air Quality, Stack Quality of DG sets/venturi scrubbers, Sewage Treatment Plants and Effluent Treatment Plants and noise levels are done as per the specified frequency. Waste water quantity is being monitored by installing separate water meters and electricity consumption is also being monitored as per the requirement of consent conditions.

21.4 Celebration of World Environment Day 2021:

The World Environment Day – 2021 was celebrated with great zeal in all the units of BDL. On this occassion, various types of sapling were planted on 4 June 2021 in all the units by adhering to COVID Protocol.

This year theme was emphasizing on restoration which is to renew and restore ecosystem and habitats damaged or destroyed in the environment due to human interaction with the environment. In order to balance the ecosystem, it is important to protect the flora and fauna and to save our mother earth. On this occasion, Ashoka trees, 130 nos. of Angiosperms species were planted at Kanchanbagh Unit. Angiosperms are the plants that produce flowers and bear their seeds to attract peacocks and butterflies. Few Lemon grass saplings were also

planted which acts as main feeder for rabbits. By this initiative, BDL Kanchanbagh is protecting fauna inside the premises. Based on theme, unit has also organized re-introduction of native species that attracts birds and animals, removal of non-native species like weeds, cutting wild weed vegetation from open drains.

Director (Production) has addressed the gathering on "Ecosystem Restoration" and importance of the ecosystem. Bhanur Unit has taken many initiatives to restore the ecosystem. Around 500 nos. of various types of saplings such as teakwood, fruit-bearing and oxygen rich plants etc., have been planted at township and plant area. In view of the theme, Unit is also organizing plantation on superannuation day of every employee. The rainwater harvesting pits have already been constructed at various places of plant and township. The awareness programmes have also been organized on environment protection such as adverse effect of usage of plastics, ill effects of deforestation, usage of renewable energies etc.

General Manager (VU), also planted the saplings along with AGM, DGMs and Core Team Members at Vizag Unit. in his address he also emphasized that every citizen should plant a sapling on any occasion in the interest of the society which will help to prevent pollution and protect the environment for future generations.

Cmde. Siddharth Mishra, (Retd.) Chairman & Managing Director inaugurated tree plantation followed by Cmde. A. Madhava Rao, (Retd.) ED (Unit Head-KBU & PSG) at Kanchanbagh on 04 June 2021. GMs and Senior Executives, Union Representatives and employees also participated in the plantation programme.

Shri.P.Radhakrishna, Director (Production) inaugurated tree plantation followed by Sri.Ch. Ramesh Babu, General Manager (BU) at Bhanur Unit. AGMs, DGMs, Core Team Members, Trade Union Representatives and employees have energetically participated in tree plantation programme on this day as per COVID Protocol.

22. QUALITY:

22.1 All production divisions / units such as Akash, CP-IGMP, Design & Engineering, Electronics Division of Kanchanbagh Unit, Bhanur and Visakhapatnam Units are certified with AS 9100D. All units such as Kanchanbagh, Bhanur and Visakhapatnam are certified with ISO 14001:2015 (EMS). Corporate Office is certified with ISO 9001:2015 (QMS). Material Testing Lab, Electronics Lab and Standard Labs are certified with ISO/IEC 17025:2017. Electronics Division is certified with AFQMS. Organizational unit has been appraised with PCMM / 2. BDL is certified with ISO/IEC 27001:2013(ISMS).

For all the ISO/AS certified divisions, internal audits are conducted by our own internal auditors and surveillance audits are conducted by certification bodies as per frequency.

22.2 Customer satisfaction is being measured for all major products manufactured in those divisions. BDL is continuously striving to improve customer satisfaction through customer meets, interaction with users and by conducting Quality Review Meetings. Corrective actions are also taken wherever necessary for improvement.

23. OFFICIAL LANGUAGE (OL) IMPLEMENTATION:

23.1 Implementation of OL Act-1963 (as amended 1967) & Rules there under are ensured. Quarterly OLIC Meetings are held regularly under the Chairmanship of CMD and Directors besides submission of Quarterly progress reports on use of OL are sent in time to authorities concerned.

23.2 Under OL Act, 1963 and the Presidential Orders thereon, the papers laid before the Parliament, Annual Report of the Company, MoU with MoD and brief of the Company along with presentations for various delegations and Parliamentary Committees are prepared in bilingual form and submitted.

23.3 Hindi fortnight was celebrated from 1st to 14th September, 2021 at Corporate Office and at all the Units of the Organization. During the fortnight, various competitions were conducted for the Officers and Employees of Corporate office, Kanchanbagh Unit, Bhanur Unit & Visakhapatnam Unit. 'Rajbhasha Kirti Puraskar' (First Place) was conferred for TOLIC functioning carried out by BDL. This award was presented on 14th September, 2021 on the occasion of Hindi Diwas organized by Department of Official Language, GoI at Vigyan Bhavan New Delhi. Hence, the Hindi Day in the Organization was celebrated on 17th September, 2021 through Video Conference in a centralized manner under the chairmanship of CMD. On this occasion, Directors, Unit Heads of all the Units and Head of Liaison office, New Delhi along with higher officials were present. Cash Awards were transferred to the winners of the competitions and Officers and Employees for doing original work in Hindi during the year.

23.4 Town Official Language Implementation Committee of PSUs (TOLIC), Hyderabad consisting of 48 PSUs as its Member Offices, was awarded with RAJBHASHA KIRTI PURASKAR (First Place) under Region 'C' for best implementation of Official Language for the year 2019-20. The award consists of 'Rajbhasha Kirti Shield' was presented by Minister of Home, Government of India Shri Amit Shah to Cmde Siddharth Mishra (Retd.), CMD, BDL & Chairman, TOLIC (U) and a certificate of Merit to Shri Homnidhi Sharma, Dy.General Manager (HR-OL) and Member Secretary, TOLIC (U) for his outstanding contribution at a glittering function held at Vigyan Bhavan, New Delhi on the occasion of Hindi Diwas on 14th September, 2021. It was a fourth occasion that the committee has been adjudged and bestowed with Rajbhasha Award at National level for implementation of Official Language among PSUs of twin cities. The program was also graced by Minister of State for Home Shri Nityanand Rai, Shri Ajay Kumar Mishra, Shri Nititsh Pramanik, Dr. Sumeet Jerath, IAS, Secretary and Dr. Meenakshi Jauli, Joint Secretary along with higher officials of Government of India.

Hon'ble Home Minister, Government of India Shri Amit Shah presented the RAJBHASHA KIRTI PURASKAR (First Place) to CMD, BDL and Chairman, TOLIC, Cmde Siddharth Mishra (Retd) for the best implementation of Official Language among member organizations of Town Official Language Implementation Committee of PSUs (TOLIC), Hyderabad for the year 2019 - 20 under Region 'C'.

23.5 TOLIC (U) was also awarded "Dakshin kshetriya Rajbhasha Puaskar" for the year 2018-19 in Region 'C' for best implementation of OL on 04th December, 2021. The award in form of Shield was received by Shri N Srinivasulu, Director (Finance) on behalf of CMD & Chairman, TOLIC (U) whereas a commendation Certification was presented to Shri Homnidhi Sharma, DGM (HR-OL) & Member Secretary, TOLIC (U) for outstanding performance.

23.6 Your Comapny is assigned with functioning of TOLIC (U) consisting 48 PSUs as its Member Offices. Regular half yearly Meetings of the body are organized in the month of May & October respectively. First Half Yearly Meeting of the Committee was organized on 25th May, 2021 through Online. During the Meeting 18th Issue of 'PATHIK' the House Journal of the Committee was released. The second half yearly Meeting was organized on 25th October, 2021 in physical form. During the Meeting, TOLIC Shield / Trophy/ Cup and Best Magazine awards for the years 2019-20 & 2020-21 were presented. Both the Meetings were chaired by CMD, BDL & Chairman, TOLIC (U).

23.7 As a part of "Azadi Ka Amrit Mahotsav" celebrations, "BDL Product Exhibition" was organized from 13th to 19th December, 2021. Hon'ble Raksha Mantri, GoI inaugurated the exhibition through Online. Banners and other promotional material was prepared in bilingual form and made available.

23.8 A total of 21 Executives and Non-Executives appeared for "Parangat" examination conducted by Hindi Teaching Scheme, DOL, GoI on 18th November, 2021 and successfully completed the course.

23.9 During the year, as a part of "Abhyuday" a "Mid-Career Development Program", a special session on "Constitutional Provisions of Official Language Hindi" was organized. On this occasion Shri Homnidhi Sharma, Dy. General Manager (HR-OL) delivered a lecture on the subject. A Total of 72 Executives participated in the program.

23.10 An Online Joint Hindi Workshop for small Member Offices of Town Official Language Implementation Committee was organized on 21st January, 2022.

23.11 Under the auspice of TOLIC (U) an ONLINE "Orientation Program on OL" was organized for newly joined Office Heads / Hindi Officers / Translators / Nodal Officers / Staff of Member Offices of TOLIC (U) on 04th February, 2022.

23.12 On the occasions of Republic Day, Independence Day Celebrations CMD of the Organization addressed in Hindi. Further, conversations of CMD held in Hindi on various TV channels. Similarly, Vigilance Awareness Week, Swatchata Pakhawada, and Constitution Day, the pledge was taken in Hindi & English.

23.13 The Website of the company prepared in Hindi was updated from time to time in compliance to the directives of Govt. of India. Officers and Employees of the organization took active participation in the Inter PSU Competition conducted by TOLIC (U) and won FIVE prizes. Officers and Employees of the organization took active participation in the Inter PSU Competition conducted by TOLIC (U) and won FIVE prizes.

23.14 With an objective to promote and propagate Hindi and inculcate the reading habit among the Officers & Employees of the Company, various Hindi Magazines and News Papers such as Hindi Milap, Swatrantra Vaartha, Daily Shubha-Labh, Anuvad, Sahitya Amrit, Avishkar, Yojna, Hindi Rozgar Samachar, Pratiyogita Darpan, Meri Saheli, Golconda Darpan, 'Hans' are subscribed regularly. Besides this, popular Hindi books on all subjects are also purchased annually with the same objective as per the directives of DOL.

24 VIGILANCE:

24.1 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 15 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.

24.2 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.

24.3 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.

24.4 Observation of Vigilance Awareness Week is an integral part of the Vigilance department. As directed by the Central Vigilance Commission, Vigilance Awareness Week (VAW)-2021 with the theme "Independent India @75 : Self Reliance with Integrity; **स्वतंत्रभारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता"** was observed across units of the Company from 26 October 2021 to 01 November 2021. The observance of VAW-2021 commenced with Chairman & Managing Director, Cmde Siddharth Mishra (Retd.) administering 'integrity pledge for citizens' on 26 October 2021 at Kanchanbagh Unit. 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 and Hon'ble CVC by CVO and other Directors. 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-2021 Banner

24.5 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-2021.

24.6 As part of Vigilance Awareness Week – 2021, Sensitization programs for employees across units of the company was conducted on 26th and 29th October, 2021 on matters relating to PIDPI resolution, Complaint Policy of CVC, Disciplinary Proceedings procedure etc. To spread the message of 'Independent India @75 : Self Reliance with Integrity', banners on the theme were displayed at conspicuous places across units of the company. 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-2021" and to take integrity pledge clicking the link http://pledge.cvc.nic.in. Two Posters on 'Complaints under PIDPI (Public Interest Disclosure and Protection of Informers)' were displayed across units of the Organization in English, Hindi and Telugu. A short video was made on the provisions under PIDPI and hosted in BDL website and intranet of the company.

Two posters on PIDPI as suggested by CVC displayed at BDL Corporate Office, Gachibowli, during VAW-2021

24.7 As an effort 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 28 October, 2021 at Bhanur Village, Sangareddy District, Telangana wherein 200 citizens including worker of MGNREGA, Women, farmers & High School students were present. Dr. Upender Vennam, IPoS, CVO/BDL administered 'integrity pledge for citizens' to the audience in Telugu language and spoke about the initiatives of CVC to create awareness amongst citizens. Speaking on the occasion, Dr. P Srinivas Yadav, Bhanur Village Sarpanch, Shri Ch Ramesh Babu, Unit Head-BDL (Bhanur), Shri L Kishan, GM (BU) and other Gram Panchayat members motivated the villagers to lead a life of integrity. Posters on PIDPI in Telugu were distributed among the citizens. A Skit with anti-corruption message was organized during the event.

24.8 A virtual Vendors Meet was organized on 29 October, 2021, wherein, more than 60 vendors from across the country participated. The meeting was inaugurated by Shri P Radha Krishna, Director (Production). Speaking on the occasion, after administering 'integrity pledge' to vendors, CVO, Dr. Upender Vennam expressed that the business should be done in a transparent manner & with highest integrity. He also stressed on Multiple Vendor Development to reduce dependency and increase competitiveness. Shri GN Sudharshan Reddy, AGM (Corporate Commercial) welcomed the gathering and briefed on the Vendor Development initiatives of BDL and online session on 'Integrity Pact' and 'Role of Independent External Monitors (IEMs) was conducted. Vigilance Officials made a presentation to vendors on the provisions of PIDPI resolution.

24.9 Coinciding with observance of National Unity Day (Rastriya Ekta Diwas) on the occasion of the birth anniversary of Sardar Vallabhbhai Patel, as part of Vigilance Awareness Week 2021, walkathons were conducted at Bhanur Unit, Sangareddy District, Vizag Unit, Andhra Pradesh and at Kanchanbagh Unit, Hyderabad on 30 October 2021 wherein processions were taken out by forming Human Chains on the streets and public were apprised of the need to ensure integrity in their day-to-day life and to say 'no' to any kind of illegal gratification.

"CHETANA"- annual vigilance newsletter released during valedictory function of VAW-2021 by Chief Guest Prof.(Dr.) S. Ramachandram, VC, ANURAG University and Ex-VC, Osmania University

24.10 The observance of Vigilance Awarness Week-2021was concluded with a valedictory function on 01 November, 2021 at Kanchanbagh Unit of the Company. Prof(Dr.) S. Ramachandram, Vice-Chancellor, ANURAG University and Ex-VC of Osmania University, Hyderabad was invited to grace the occasion as Chief Guest and to deliver a key note address. The Chief Guest addressed the gathering on 'Emerging Technologies & Data Security'. The program was attended by CMD, Directors and CVO. The dignitaries motivated the employees on displaying ethical behavior at all times and emphasized on the importance of Integrity in becoming Self-Reliant. A booklet on 'Awareness on PIDPI Resolution, 2004' was inaugurated by CMD and 2nd edition of Annual Vigilance Newsletter "CHETANA" was released by the Chief Guest. The newsletter and the booklet have been hosted on BDL intranet for employees and also in BDL website for the benefit of citizens.

25. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

25.1 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.

25.2 Your Company 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 and corruption were reported.

25.3 Your Company being a Government Company, the Government of India appoints a Chief Vigilance Officer (CVO) from outside the Organisation, who is generally from Civil Services. CVO holds the rank of Functional Director level in the Company. CVO is head of the Vigilance Department of the Company and he is responsible for detection of corrupt practices and other malpractices as per the Code of Conduct of the Company. He is also responsible for preventive measures to stop corruption, bribery and other such malpractices in the Company. He ensures proper implementation of Central Vigilance Commission guidelines in the Organisation. The CVO may be contacted for any complaints and suggestions in the given below address:

Dr.Upendra Vennam, IPoS
Chief Vigilance Officer
Bharat Dynamics Limited
Corporate Office: Plot No.38-39, TSFC Building
Financial District, Gachibowli, Hyderabad-500032
Phone No.: 040-23456106
Email: cvobdl@bdl-india.in
Toll free No.:1800-42552259

25.4 The Audit Committee of the Board and Risk Management Committee of the Board periodically reviews the internal financial controls, functioning of the whistle blower mechanism and risk Management systems which includes frauds, irregularities, anti-bribery and anti-corruption programmes. On quarterly basis, the Chief Vigilance Officer also submits a detailed report to the Board on review of vigilance activities in its entirety, which includes preventive measures undertaken, malpractices detected, number of complaints received and action taken thereon and progress of vigilance related cases etc.

25.5 Your Company keeps accurate books and records to maintain internal controls and to prevent and detect potential violations of our policies or of applicable laws. Your Company has appropriate controls to ensure that diligence is conducted, transactions properly approved, documentation received to support expenses, and interactions handled as required by our policies. Your Company shall also use proactive reviews, audits and internal investigations to further monitor compliance and to identify any potential areas to enhance. When engaging in a cross-border transaction, your Company also ensures compliance with the local laws of the Government Official's Home Country.

25.6 The Vigilance Department periodically conducts various training programmes and awareness programmes on Anti-Bribery and Anti-Corruption to all the employees of the Company at all units. This policy is applicable to all employees of the Company.

26. BOARD OF DIRECTORS:

26.1 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.

26.2 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, considering the government directives, statutory acts, rules and regulations.

26.3 **Independent Directors (i.e. Non Official Part Time Directors)**

The Ministry of Defence, Government of India vide its letter No.DDP-M0001(11)/1/2018-D(BDL) dated 03 January 2022 appointed five new Independent Directors viz., Shri Sunil Chintaman Mone, Prof.(Dr) Sanghamitra Mishra, Shri.Rajendra Singh Shekhawat, Shri.Nandakumar Subburaman and Dr. Pawan Sthapak as Part-time Non-Official Directors w.e.f December 2021 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.

26.4 During the year, Ministry of Defence, Department of Defence Production, Government of India vide its Office Memorandum No.DDP.M-0001(11)/3/2018- D(BDL) dated 25 August 2021 has appointed Dr. BHVS Narayana Murthy, DS&DG(MSS)/DRDO in place of Shri. MSR Prasad as Part-Time Official Director (i.e. Government Director) on the Board of your Company. The Board places on record its appreciation for the valuable contributions of Shri.MSR Prasad extended to the Company during his tenure.

In terms of provisions of section 152 of the Act, Shri. P. Radhakrishna, Director (Production) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himselves for reappointment.

26.5 **Number of Meetings of Board:**

During the year 2020-21, Five (5) Board Meetings were held on 21 June 2021, 13 August 2021, 11 November 2021, 21 December 2021, 14 February 2022.

26.6 **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.

27. 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 2022 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.

28. 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.

29. 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 2022 and date of signing of this Report are - Nil.

30. AUDIT COMMITTEE:

During the year, the Audit Committee was in place only for a part of the year due to no representation of Independent Directors on the Board. The Ministry of Defence, Government of India vide its letter No.DDP-M0001(11)/1/2018-D(BDL) dated 03 January 2022 has appointed five new Independent Directors on the Board of your Company with effect from December 2021. Consequent to their appointment, the Audit Committee has been reconstituted with new Independent Directors and had held two meetings during the year 2021-22 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.

31. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT:

31.1 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. During the year, consequent to the appointment of new independent directors on the Board, the company has reconstituted Board Level Committee on Corporate Social Responsibility and Sustainable Development (CSR & SD) in line with the provisions of Section 135 of the Companies Act, 2013 (please refer Corporate Governance Report). 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.

CMD, BDL, Commodore Siddharth Mishra (Retd) and Lt Gen A Arun, GOC, Dakshin Bharat Area inaugurated the Oxygen Generator Plant at Military Hospital, Secunderabad on 18th June 2021 in the presence of Maj Gen R K Singh, GOC, Telangana and Andhra Sub Area and BDL Director (Finance), Shri N Srinivasulu.

31.2 The CSR and SD activities are monitored periodically by the Committee and an annual report on CSR and SD activities undertaken during the year 2021-22 is enclosed at **Annexure-I.**

31.3 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. Your Company do not use the CSR activities including any charitable donations and sponorships as vehicle for bribery and corruption.

31.4 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.

31.5 During the year 2021-22, the CSR & SD expenditure target was ₹ 1169.80 lakh. Against the target, the company has incurred an expenditure of ₹ 1812.61 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 hhtp://bdl-india.in.

32. 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 reconstituted a Risk Management Committee consequent to the appointment of new independent directors on the Board. The details of Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

33. 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 hhtp://bdl-india.in.

34. 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 hhtp://bdl-india.in.

35. 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.

36. CONTRIBUTIONS TO POLITICAL PARTIES :

During the year under review your Company do not made contributions to any political parties and the same is prohibited under section 182 of the Companies Act, 2013.

37. 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.

38. AUDITORS:

Statutory Auditor:

M/s.G.Natesan & Co., Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for the financial Year 2021-22 by the Comptroller & Auditor General of India. The Auditors' Report on the financial statements for the financial year 2021-22 and the Comments of Comptroller and Auditor General of India (C&AG) under Section 143 (6) of the Companies Act, 2013 are appended to this Annual Report.

Cost Auditor:

Your Company appointed M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors for the FY 2021-22 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.

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 2021-22 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as **Annexure-II.**

39. 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.

40. 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.

41. 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.**

42. CORPORATE GOVERNANCE:

42.1 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.

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

42.3 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.**

42.4 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 2021-22.

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

In line with the provisions contained under "The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013 your Company has put in place "Anti Sexual Harassment Policy" in line with the requirements of the above Act. During the year 2021-22, your Company has not received any Sexual harassment complaints.

44. 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 www.bdl-india.in. 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 2021-22 Company received 175 applications/queries, out of which 172 applications are disposed-off and 3 (Three) RTI queries are under process. Further 17 appeals have been received and disposed-off by Final Appellate Authority.

45. 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. 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. During the year under review, no whistle blower cases were reported.

46. BUSINESS RESPONSIBILITY REPORT:

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR report") as part of the Annual Report based on market capitalization.

Your Company has prepared a comprehensive policy framework for BR 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 BR report for the year is attached to this Report as **Annexure-V.**

Further, 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 introduce new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). The BRSR shall be mandatory for top 1000 companies (by Market Capitalization) with effect from financial year 2022-23. Your Company shall adhere to this compliance from the financial year 2022-23 onwards.

47. 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 placed on the Company's website at https://bdl-india.in/sites/default/files/2020-01/Dividend%20Distribution%20Policy_0.pdf

48. ACKNOWLEDGEMENT:

48.1 Your Directors gratefully acknowledge the valuable support and assistance received from all Government Agencies, particularly Ministry of Defence, DPSUs, Department of Defence Production, DRDO Laboratories, Central Government Departments, State Governments of Telangana and Andhra Pradesh, Quality Assurance Agencies of Government of India and other PSUs for the help extended by them from time to time.

48.2 The Company wishes to place on record its appreciation for the cooperation extended and guidance provided by the Comptroller & Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Statutory Auditors, Bankers and Suppliers.

48.3 The Directors take this opportunity to place on record their deep appreciation for the valuable contribution made and co-operation extended by the employees at all levels to propel the Company to greater heights and to sustain its growth path in the years to come.

For and on behalf of the Board

Cmde Siddharth Mishra (Retd)
Chairman and Managing Director
DIN: 08367035

Place : Hyderabad
Date : 26 May 2022

ANNEXURE-I

The Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

BDL is conscious about 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 & 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.

Due to the pandemic situation prevailing in the country, BDL contributed for COVID related projects viz.,

- Contribution to the Atal Bihari Vajpayee COVID Hospital at Lucknow,
- Contribution for procurement of COVID related Medical Equipments at Naval Hospitals
- Commissioning of oxygen generation plants in three Govt. Hospitals in Telangana
- Contributed for making separation facilities to COVID patients at ESIC Medical College, Hyderabad

Some of the other major projects are:

- Promoting Education (Distribution of Dual Desks to Govt. Schools at Bhadradri Kothaguem an Aspirational Districts in Telangana State)
- Construction of Girls Toilets in Govt. Schools located at Rajanna Sircilla District, Telangana State
- Job oriented Skill Development training in textile industry for women folks at Vizianagaram an Aspirational Districts in Andhra Pradesh
- Tool Kit distribution to PwBDs through M/s. National Handicap Financial Deployment Corporation

2. Composition of CSR Committee as on 31 March 2022:

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- Independent Director	One	One
2	Shri. Sunil Chintaman Mone	Member- Independent Director	One	One
3	Prof. (Dr) Sangamitra Mishra	Member-Independent Director	One	One
4	Shri. Nanda Kumar Subburaman	Member-Independent Director	One	One
5	Dr. Pawan Sthapak	Member-Independent Director	One	One
6	Shri. P. Radhakrishna	Member- Director (Production)	One	One
Note: Consequent to the appointment of new Independent Directors on the Board of BDL by Ministry of Defence, Govt of India vide letter No.DDP.M-0001(11)/1/2018 –D(BDL) dated 03 January 2022, the Company has reconstituted the above CSR Committee with effect from 3rd January 2022.				

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: website https:/bdl-india.in/csr

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact Assessment of the CSR Projects for the FY 2017-18 completed and available on website https:/bdl-india.in/csr

Impact Assessment of the CSR Projects for the FY 2018-19 is under progress

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs Lakh)	Amount required to be set-off for the financial year, if any (in Rs Lakh)
1	2021-22	7.274	1.524

6. Average net profit of the company as per section 135(5): ₹584, 89, 98,691

7. **(a) Two percent of average net profit of the company as per section 135(5):** ₹1169.7997 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹644.334 lakh

(c) Amount required to be set off for the financial year, if any: ₹7.274 lakh

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹1806.8597 lakh

8. **a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹1812.61133 lakh	NIL				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in ₹ lakh)	Amount spent in the current financial Year (in ₹ lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ lakh)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Setting up of Drain Treatment Plant (1.5 MLD STP) at Naval Base	Item No. (iv)	Yes	Visakhapatnam, Andhra Pradesh		2 years	200	20	Nil	No	Indo German Institute of Advanced Technology (IGIAT)	-
2.	Developmental activities at Vizianagaram (Social Welfare Hostel Building)	Item No. (ii)	Yes	Vizianagaram, Andhra Pradesh		2 years	200	20	Nil	No	District Collector, Vizianagaram	-
3	Construction of Girls Toilets in Govt. Schools of Rajanna Sircilla	Item No. (i) &(ii)	Yes	Rajanna Sircilla, Telangana		2 years	200	100	Nil	No	District Collector, Rajanna Sircialla	-
4	Maintenance of 3 RO water plants at Narayanpur, Janagaon & Peeplepahad	Item No. (i)	No	Nalgonda Telangana		8 years	18.85	16.20	Nil	No	Naandi Foundation	-
5	Skill Development Job Oriented Trg. Prg for Women in Textiles	Item No. (ii)	No	Vizianagaram, Andhra Pradesh		2 years	240	140	Nil	No	District Collector, Vizianagaram	-
6	Smart Class Rooms in Govt. Schools (digital learning)	Item No. (ii)	Yes	Vizianagaram, Andhra Pradesh		2 years	200	80	Nil	No	District Collector, Vizianagaram	-
7	Construction of School Building	Item No. (ii)	Yes	Bhanur, Medak district, Telangana		3 years	268	153.19036	Nil	Yes	Direct	-
8	Distribution of Dual Desks to Govt. Schools	Item No. (ii)	No	Govt. Schools of Telangana		2 years	200	79.78	Nil	No	Central Prisons Dept., Chanchalguda, Telangana	-
9	Contribution for Research at DIAT, Pune	Item No.(ix)	No	Pune, Maharashtra		3 years	93	30	Nil	No	Contribution for Research at DIAT, Pune	-
10	Construction of toilets in Govt. Schools	Item No. (ii)	No	Mahabubnagar, Telangana		3 years	50	9.18818	Nil	No	District Collector, Mahabubnagar	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in ₹ lakh)	Amount spent in the current financial Year (in ₹ lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ lakh)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
11	Skill Development of 470 PwBds	Item No.(ii)	Yes	Hyderabad, Mahabubnagar, Warangal districts of Telangana		3 years	100	10.6436	Nil	No	National Handicapped Finance and Development Corporation (NHFDC) Hyderabad	-
12	Infrastructure facilities at Area Hospital, Vikarabad and PHC Chevella	Item No.(i)	Yes	Vikarabad, Telangana		2 years	99.50	75	Nil	Yes	Managing Director, Telangana State Medical Services & Infrastructure Development Corporation	-
Total								**734.2011**				

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1.	Construction of COVID specialized Hospital	Item No. (i)	No	Lucknow, UP		200	No	DRDO	-
2.	Commissioning of Oxygen Generation Plants in three Govt. Hospitals in Telangana viz., Military Hospital, ESIC Medical College Hospital, Area Hospital, Vikarabad	Item No. (i)	Yes	Hyderabad & Vikarabad, Telangana		283.20	No	Trident Pneumatics Pvt Ltd. Coimbatore	-
3.	Procurement of Cone Beam Computed Tomography equipment	Item No. (i)	Yes	Hyderabad, Telangana		44.99684	No	Army College of Dental Sciences	-
4	Mid-day meal to the Govt. School children in Medak, Telangana and Visakhapatnam, Andhra Pradesh	Item No. (ii)	No	Medak, Telangana and Visakhapatnam, Andhra Pradesh		9.96705	No	The Akshaya Patra Foundation	CSR00000286
5	Procurement of COVID related equipment at Naval Hospitals	Item No. (i)	No	-		300	No	Indian Naval Benevolent Association	-
6	Setting up of COVID care facilities at ESIC Medical College Hospital,	Item No. (i)	Yes	Hyderabad, Telangana State		170	No	Dean, ESIC Medical College Hospital	-
7	One month oxygen supply to VIMS, Government ENT Hospital REH, RCD hospital, Visakhapatnam.	Item No. (i)	No	Visakhapatnam, Andhra Pradesh State		25	No	District Collector, Visakhapatnam	-
TOTAL						**1033.16399**			

d) Amount spent in Administrative Overheads: ₹45.2462 lakh

e) Amount spent on Impact Assessment, if applicable: N/A

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹1812.61133 lakh

g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1169.80 lakh
(ii)	Total amount spent for the Financial Year	1812.61 lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	642.81 lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	637.06 lakh
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.75 lakh

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
NIL							

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ lakh)	Amount spent on the project in the reporting Financial Year (in ₹ lakh)	Cumulative amount spent at the end of reporting Financial Year (in ₹ lakh)	Status of the project - Completed / Ongoing
1	CSR/BDL/002	Setting up of Drain Treatment Plant (1.5 MLD STP) at Naval Base, Visakhapatnam	2020-21	Two years	200	20	200	completed
2	CSR/BDL/001	Developmental activities at Vizianagaram (Social Welfare Hostel Building)	2019-20	Three years	200	20	200	completed
3	CSR/BDL/004	Construction of Girls Toilets in Govt. Schools of Rajanna Sircilla	2020-21	Two years	100	100	200	In progress
4	CSR/BDL/008	Distribution of Dual Desks to Govt. Schools in Bhadradri Kothagudem through Central Prisons	2020-21	Two years	200	79.98	180	In progress
5	CSR/BDL/007	Smart Class Rooms (digital learning), Vizianagaram	2020-21	Two years	200	80	180	In progress
6	CSR/BDL/003	Construction of School Building at Bhanur	2019-20	Three years	268	153.19036	2,51,55,111	completed
7	CSR/BDL/011	Skill Development of 470 PwBDs through National Handicapped Finance and Development Corporation (NHFDC) Hyderabad	2019-20	Three years	100	10.6436	90,63,560	completed
8	CSR/BDL/009	Contribution for Research at DIAT, Pune	2020-21	Three years	93	30	63	In progress
9	CSR/BDL/012	Construction of toilets in Govt. Schools of Mahabubnagar Distrcti, Telangana	2019-20	Three years	50	9.18818	49,19,000	completed
Total						**503.00214**		

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Amount in ₹ lakh)

Sl. No.	Description	Date of creation or acquisition of the capital asset	Payment released for the FY 2020-21 (₹ in Lakh)	Amount of CSR spent for creation or acquisition of capital asset (₹ in Lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	details of the capital asset created or acquired	Complete address and location of the capital asset
1	Procurement of Cone Beam Computed Tomography equipment	13.09.2021	44.99684	44.99684	Army College of Dental Sciences, Gabilalpet Main Road, Rajiv Swagrua ABHIMAAN Project, Secunderabad – 500 083 Telangana State	Cone Beam Computed Tomography Equipment	Army College of Dental Sciences, Gabilalpet Main Road, Rajiv Swagrua ABHIMAAN Project, Secunderabad – 500 083 Telangana State
2	Commissioning of Oxygen Generation Plants in Govt. Hospitals of Telangana	18.06.2021	94.40	94.40	Military Hospitals, Secunderabad, Telangana	Oxygen Generation Plant (with a capacity of 960 litrs per minute)	Military Hospitals, Secunderabad, Telangana
3	Commissioning of Oxygen Generation Plants in Govt. Hospitals of Telangana	20.09.2021	94.40	94.40	ESI Medical College Hospital, Sanathnagar, Hyderabad Telangana	Oxygen Generation Plant (with a capacity of 960 litrs per minute)	ESI Medical College Hospital, Sanathnagar, Hyderabad Telangana
4	Commissioning of Oxygen Generation Plants in Govt. Hospitals of Telangana	31.03.2022	94.40	94.40	Area Hospital, Vikarabad, Telangana	Oxygen Generation Plant (with a capaicty of 960 litrs per minute)	Area Hospital, Vikarabad, Telangana

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : N/A

Cmde Siddhartha Mishra (Retd)
Chairman & Managing Director
DIN: 08367035

Rajendra Singh Shekhawat
Chairman CSR Committee
DIN: 09449860

Place : Hyderabad
Date : 26 May 2022

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 31.03.2022
[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, 2022** 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, 2022 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;

NARENDER & ASSOCIATES CS FCS No. 4898 CP No. 5024 COMPANY SECRETARIES

(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]*

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(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 including failure	The Company did not comply with the requirement of Independent Directors till 23rd December, 2021 and with the requirement of having atleast One Independent Woman Director on the Board till 23rd December, 2021	*As on 31st March, 2022, the Company has complied with the requirements under Reg. 17(1)(a)&(b) of SEBI (LODR) Regulations, 2015 and section 149 of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the

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	to appoint Woman Director		Board of the Company in December 2021. However, the Company did not comply with the appointment of Independent Directors (including one independent woman director) till December, 2021
2	Reg.17(2A) of SEBI (LODR) Regulations, 2015 Non-compliance with the requirements pertaining to quorum of Board Meetings	The Company did not comply with the requirement pertaining to quorum of Board Meetings wherein participation of atleast one Independent director is required	*As on 31st March 2022, the Company has complied with the requirement under Reg.17 (2A) of SEBI (LODR) Regulations, 2015. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, till December 2021, the Company did not comply with the requirement pertaining to quorum of Board Meetings wherein participation of atleast one Independent director is required
3	Reg.18(1) of SEBI (LODR) Regulations, 2015 and section 177 of the Act: Non-compliance with the constitution of Audit Committee	The Company did not have Independent Directors on Board till 23rd December, 2021 and therefore the Audit Committee has been suspended	*As on 31st March 2022, the Company has complied with the requirement under Reg.18 (1) of SEBI (LODR) Regulations, 2015 and section 177 of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, the Company did not comply with the requirement pertaining to constitution of Audit Committee wherein

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			majority (i.e atleast two-third) of its members shall be Independent Directors till December, 2021 and Audit Committee was re constituted with effect from 03rd January, 2022 consequent upon appointment of new Independent Directors by Govt of India
4	Reg.19(1)/19(2) of SEBI (LODR) Regulations, 2015 and Section 178 (1) of the Act: Non-compliance with the Constitution of Nomination and Remuneration Committee	The Company did not have Independent Directors on Board till 23rd December, 2021 and therefore the Nomination and Remuneration committee has been suspended	*As on 31st March 2022, the Company has complied with the requirement under Reg.19(1)/19(2) of SEBI (LODR) Regulations, 2015 and Section 178(1) of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, the Company did not comply with the requirement pertaining to constitution of Nomination and Remuneration committee wherein atleast fifty percent shall be Independent Directors till December, 2021 and Nomination and Remuneration Committee was re constituted with effect from 03rd January, 2022 consequent upon the appointment of new Independent Directors by Govt of India
5	Reg.20(2)/20(2A) of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Act:	The Company did not have Independent Directors on Board till 23rd December, 2021 and therefore the Stakeholder	*As on 31st March 2022, the Company has complied with the requirement under Reg.20(2)/20(2A) of SEBI (LODR) Regulations, 2015 and

	Non-compliance with the constitution of Stakeholder Relationship Committee	Relationship Committee has been suspended	Section 178(5) of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, the Company did not comply with requirement pertaining to constitution of Stakeholder Relationship Committee wherein atleast one Independent Director shall be Member till December, 2021 and Stakeholder Relationship Committee was re constituted with effect from 03nd January, 2022 consequent upon appointment of new Independent Directors by Govt of India
6	Section 135 of the Act: Non-compliance with the constitution of Corporate Social Responsibility Committee	The Company did not have Independent Directors on Board till 23rd December, 2021 and therefore the Corporate Social Responsibility Committee has been suspended	*As on 31st March 2022, the Company has complied with the requirement under Section 135 of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, the Company did not comply with requirement pertaining to constitution of Corporate Social Responsibility Committee wherein atleast one Independent Director shall be Member till December, 2021 and Corporate Social Responsibility Committee was re constituted with effect from 03rd January, 2022 consequent

NARENDER & ASSOCIATES
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			upon appointment of new Independent Directors by Govt of India
7	Reg.21 of SEBI (LODR) Regulations, 2015 and Section 134 of the Act: Non-compliance with the constitution of Risk Management Committee	The Company did not have Independent Directors on Board till 23rd December, 2021 and therefore the Risk Management Committee has been suspended	*As on 31st March 2022, the Company has complied with the requirement under Reg. 21 of SEBI (LODR) Regulations, 2015 and Section 134 of the Act. The Govt of India has appointed five new Independent Directors (including one women Independent Director) on the Board of the Company in December 2021. However, the Company did not comply with requirement pertaining to constitution of Risk Management Committee wherein atleast one Independent director shall be Member till December, 2021 and Risk Management Committee was re constituted with effect from 03rd January, 2022 consequent upon appointment of new Independent Directors by Govt of India

***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.

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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: 19.05.2022
UDIN: F004898D000348054

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

NARENDER & ASSOCIATES * COMPANY SECRETARIES * FCS No. 4898 CP No. 5024

G. NARENDER
Proprietor
FCS 4898, CP 5024

Place: Hyderabad
Date: 19.05.2022

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.

In response to the clarion call given by the Hon'ble Prime Minister of India for creation of "Atmanirbhar Bharat", BDL, is relentlessly working to contribute its part towards creation of a self-reliant India 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 explore tie-ups with Original Equipment Manufacturers (OEMs) for new missiles and underwater weapons for potential Transfer of Technology.

BDL has forayed into international market by offering its products to foreign countries. BDL has executed export order of Torpedoes and is geared up to take orders of other exportable products also.

1.1 Indian Defence Industry

The Indian defence industry is a strategically important sector primarily focusing towards enhancing India's war fighting capabilities. India is the second largest armed forces in the world. The Indian Defence industry aims to design, develop and manufacture state-of-the-art sensors, weapon systems, and platforms and associated equipment for the military.

As a result of new policies promulgated by the government of India, the industry is in the state of transition. Government of India has launched several initiatives to make India self-reliant in the field of Defence Manufacturing. Atmanirbharta is one of such initiatives in Defence aimed at enhancing domestic manufacturing and making the country a net exporter in this field. Over the last three decades, the rapid innovations in multiple civilian technologies have outpaced the military technologies, especially at the sub-component levels in the electronics and software industries. India has been looking at enhancing its defence exports, reducing imports and becoming self-reliant in the field. The total value of production of Defence and Aerospace sector has grown from ₹ 79071 Crore in 2019-20 to ₹ 84643 Crore in FY 2020-21, registering a growth of about 7%. There has been immense growth in India's defence exports — jumping from ₹ 1,940.64 crore in 2014-15 to ₹ 8,434.84 crore in FY 2020-21.

A Defence export strategy has been formulated with a view to facilitate Defence Public Sector Undertakings (DPSUs) and private defence players in exploring business opportunities abroad.

India has set a target of exporting defence equipment worth ₹ 35,000 crore ($5 billion) by 2025. India has also made rapid strides in defence exports. India was listed at the 23rd position as the global arms exporter by SIPRI in 2020, the first time that India made it to the list. The aim is to achieve defence exports target of US$ 5 billion by 2025.

Aimed at enhancing exports and building a domestic defence industry, the new policy aims at self-reliance and looks to achieve a turnover of ₹ 1,75,000 crore (25 billion US dollars) including an export of ₹ 35000 crore (US$ 5 billion) in the aerospace and defence goods and services by 2025. The policy also aims at doubling domestic procurement from the Indian industry. To promote self-reliance and reduce imports, the Ministry of Defence has also come out with a list of 2851 items to put in an import embargo list in order to save ₹ 3,000 crore annually.

India's defence budget for 2021–22 was ₹ 478196 crore. The overall defence budget for fiscal year 2022-23 is ₹ 525166 crore, which has an increase of ₹ 46970 crore (9.82%) earmarked in the 2021-22 budget. Through enhanced budgetary support over the years, the Government has placed modernisation and infrastructure development of the Armed Forces at the centre stage of the National Security and Defence Planning process. The total allocation under Capital Outlay of the Defence Services has been increased from ₹ 86,740 crore in 2013-14 to ₹1.52 lakh crore in 2022-23. There is an enhancement of 76% over a period of nine years. Further, during this period, the total Defence Budget including Defence Pensions has increased by 107.29%, from ₹ 2.53 lakh crore in 2013-14 to ₹ 5.25 lakh crore in 2022-23. The budget-2022 has introduced multiple provisions to boost Atmanirbharta in defence sector. The integrated approach of design and development of defence systems with the participation of industry & academia will revitalise the defence ecosystem. Provision for the formation of Special Purpose Vehicle (SPV) for design development and production of major defence equipment will enable concurrent engineering and production in faster timelines.

In the Union Budget 2022-23, the Capital Allocations pertaining to modernisation and infrastructure development of Armed Forces has been significantly increased to ₹ 1.52 lakh crore. This represents an increase of ₹ 17,308 crore (12.82%) over FY 2021-22. Further, cumulative increase in the Capital Budget since 2019-20 has been ₹ 48,975 crore (47.37%).

The increase in the overall Capital Budget reflects the Government's resolve towards sustainable enhancement in the modernisation and infrastructure development and also towards achieving the objectives of 'Aatmanirbhar Bharat'. Further, to provide autonomy and enhance efficiency, and unleash new growth potential in Ordnance Factories, the Govt of India has corporatized the Ordnance Factory Board (OFB) into 7 new Defence Public Sector Undertakings while safeguarding the interest of all stakeholders. The new Defence PSUs have become operational from 1st October, 2021.

India's defence manufacturing sector has been witnessing a Cumulative Annual Growth Rate (CAGR) of about 3.9% during the last 4-5 years. With the rising concerns of national security, the demand growth is likely to accelerate in near future.

The Govt of India is making all its efforts to push the indigenous Domestic Enterprises under the 'Aatmanirbhar Bharat'. It has enhanced the share of domestic capital procurement, which was earmarked at 64% in 2021-22 to 68% of the Capital Acquisition Budget of the Defence Services (₹ 1.24 lakh crore) for the FY 2022-23, which would be about ₹ 84,598 crore. The said share of 68% may also likely to increase further in the coming years to push further the Indigenous Domestic Enterprises under the 'Aatmanirbhar Bharat' and also considering the fact of outbreak of Russia-Ukraine war. BDL, with decades of experience, is very well poised to utilise the opportunities on its way and has geared up to face the challenges in coming years.

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

1.2 Indigenization

The Government has taken several policy initiatives in the past few years under 'Make in India' program and brought in reforms to encourage indigenous design, development and manufacture of defence equipment in the country, thereby reducing import of defence equipment. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Announcement of 18 major defence platforms for industry led design & development; Notification of three 'Positive Indigenization Lists' of total 310 items of Services and two 'Positive Indigenization Lists' of 2851 items and 107 Line Replaceable Units (LRUs) of Defence Public Sector Undertakings(DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalisation of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Innovations for Defence Excellence (iDEX) scheme involving start-ups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to

facilitate indigenization by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu.

As a part of BDL's contribution towards creation of Atmanirbhar Bharat, BDL has been focusing on indigenizing the technology for self-reliance from the day any contract is signed. BDL manufactures missiles under Technology of Transfer (ToT) from DRDO and Foreign OEMs (Original Equipment Manufacturers). In the case of Foreign OEMs designed products, the Technology Transfer was only 60%, but BDL through its indigenization initiatives, has achieved indigenization levels of 80% to 90% in most of the products. In the case of DRDO designed products, indigenization level of more than 90% has been achieved in most of the products. BDL is putting all out efforts to achieve higher levels of indigenization for all the products.

"Make in India" is an ongoing process and under this scheme a number of initiatives were taken by GoI/MoD. In order to achieve self-reliance in defence equipment production under this scheme, BDL has taken various initiatives/steps, which are as follows:

a) **Implementation of Make-II procedure at BDL:** A frame work for implementation of Make-II procedure at DPSUs was issued by Ministry of Defence (MoD) on 11th Feb 2019. The objective of the framework is to, inter alia, incorporate features on Make-II in the procurement manuals of DPSUs so as to empower them to take up project for indigenization of items, particularly the ones being imported regularly. Accordingly, BDL has amended the Integrated Material Manual incorporating the Indigenization of components and spares of BDL products and procedure.

b) **Srijan Portal:** MoD's indigenization portal SRIJAN which is a 'one stop shop online portal that provides access to the vendors to take up items that can be taken up for indigenization'. In this portal, as on date, BDL has uploaded 603 items. These 603 items include all the items imported by BDL with value of imports. Out of 603 items, vendors have shown interest for 288 items and 36 sanction orders are placed.

c) **Aatma Nirbhar Bharat (Indigenization Plan):** BDL has made an Indigenization Plan for Five Years (2020-21 to 2024-25). During the year 2020-21, against the target of 72 items BDL has exceeded the target and completed indigenization of 79 items. Further, during the last year 2021-22, all the 53 items as per the target were indigenized.

d) **Products developed under Make-II:** BDL is designing and developing indigenous 3rd generation ATGM named as Amogha III. The product is being developed against a project sanctioned order from Army as a Make-II project under Indian Indigenously Designed Developed and Manufactured (Indian IDDM) category of Defence Procurement Procedure.

e) Department of Defence Production, MoD has declared a list of 351 items in Annexure-B of 1st Positive Indigenization List, which will be procured from Indian Industry after the timelines indicated in the list. 50 items of BDL are in the list. Details of month and year from which these items are banned for imports is given below:

No. of items	Imports banned from
24	Dec'2022
07	Dec'2023
19	Dec'2024

f) BDL has proposed 04 major Line Replaceable Units in the 2nd Positive Indigenization List of DDP/MoD. These four are critical items of Konkurs-M Missile and Astra missile.

g) **Offset Policy :** The offset policy in capital purchase contracts with foreign defence OEMs, stipulates a mandatory offset requirement of a minimum of 30% for defence contracts. The minimum contract value for which offsets are mandatory has now been revised from INR 300 crore to INR 2,000 crore. Offset guidelines have been made flexible by allowing change of Indian Offset Partners (IOPs) and offset components, even in signed contracts. As a part of offset policy BDL & MBDA France/UK have entered into an offset agreement following an MoU for establishment of Final Assembly Integration and Testing in India of ASRAAM & Mistral Missiles. IAF has a requirement of these missiles. The establishment of the facility in India will result in integration capability of these two missiles within the country which will be utilised by MBDA & BDL to deliver missiles to the IAF as well as the Global supply requirements of MBDA in future.

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

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

2.2 Manufacturing facilities

The Company has three manufacturing facilities located in Hyderabad, Bhanur and Vishakhapatnam. All the manufacturing facilities have ISO 14001:2015 certifications 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). The Electronics Division of the Company has been certified with AFQMS (Approval of the Firm and its Quality Management System) by DGAQA while the Electronics Lab of Milan Division and Bhanur unit and Material Testing Lab have been accredited for ISO / IEC 17025:2005 (NABL) certification.

Information Security Management System (ISMS) of BDL Kanchanbagh & Bhanur units have been re-certified with ISO/IEC 27001:2013 dated 06 Apr 2021 by the certification body M/s AQC Middle East LLC.

The Company is in the process of setting up of additional manufacturing facilities at Ibrahimpatnam (near Hyderabad) and Amravati in Maharashtra. The sixth manufacturing Unit and the first one in northern india is being setup at Jhansi, UP Defence corridor for manufacturing propellants for various ATGMs. The Corporate Office is at financial district, Gachibowli, Hyderabad.

2.3 Order Book

Our current order book as on 01 April 2022 is about ₹ 10170 Crore.

2.4 Financial Performance

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

Particulars	₹ in Crore		% of Increase / (Decrease)
	2021-22	2020-21	
Sales/Revenue from Operations	2817	1914	47.18
Value of Production	2902	2043	42.00
i) Import Material Consumed	271	277	(2.16)
ii) Indigenous Material Consumed	992	693	43.19
Total Material Consumed	1263	970	30.23
Value Added	1639	1073	52.66
Profit Before Tax	710	341	108.21
Profit After Tax	500	258	93.80
Earnings per share# (in Rupee)	27.28	14.06	94.03

EPS has been calculated based on profits excluding the other comprehensive income.
* Figures has been reclassified and regrouped.

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2021-22	2020-21	
Gross Block (Excl. CWIP)	1451	1369	5.99
Accumulated Depreciation	577	454	27.09
Net Block	874	915	(4.49)
Working Capital (Net)	2942	2378	23.72
Capital Employed	2973	2637	12.76
Net Worth	3031	2685	12.89

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 2021-22	FY 2020-21	Change (in %)	Explanation for change of 25% or more
Debtors Turnover Ratio (times)	8.99	5.79	54.40	Improved due to higher sales and better realisation.
Inventory Turnover Ratio (times)	1.85	1.70	8.82	-
Interest Coverage Ratio (times)	350.71	136.27	111.2	Improved due to higher profit as a result of higher turnover and reduction in finance cost.
Current Ratio (times)	2.14	1.94	10.31	-
Debt Equity Ratio (times)	Nil	Nil	Nil	-
Operating Profit Margin (%)	21.25	12.87	65.11	Due to increase in operational efficiency, manufacturing activities and changes in product mix
Net Profit Margin (%)	17.74	13.47	33.63	Improved due to higher PAT on account of higher turnover relatively lower fixed overheads and LD refund received.
Return on Net worth (%)	17.49	9.74	79.57	Increased due to improvement in turnover and PAT.

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. 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.

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 Jhansi, Ibrahimpatnam and Amravati will enable the company to cater to the growing demand of its customers. These manufacturing facilities shall be utilised to manufacture SAMs and other new generation missiles. BDL is also setting up Seeker Facility Centre and Warheads Production Facility in its existing units.

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. 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 and heavyweight torpedoes 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) 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 leads for Akash from few countries. 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. To meet the objective of expanding its footprints in the international market, BDL is consistently pursing 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.

Mitigation: 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.

Mitigation: 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

Mitigation: 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

Mitigation: 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.

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

4. FUTURE OUTLOOK

India's defence budget for FY 2022-23 is primarily focused on building a robust domestic industrial complex to help India usher in an era of self-reliance in defence production. In pursuit of this, BDL, being the nodal agency for manufacturing a number of products for the Indian armed forces, is aiming to make its manufacturing processes self-reliant thereby contributing to make the Indian Armed Forces self-reliant or Atmanirbhar.

Taking into cognisance the modern-age warfare, the Company is aiming to leverage emerging technologies to develop futuristic weapons for the services. In order to do this, BDL would be laying emphasis on automation of its manufacturing facilities, indigenization of critical items and equipping its human resources with advance skills to tap the futuristic technologies more effectively for developing indigenously designed and manufactured advanced weapons for the armed forces.

Currently, BDL has a healthy order book position of ₹ 10170 Crore as on 01 April 2022, which will keep the production lines engaged in the year ahead.

Given the immense potential of BDL products for exports, the Company aims to expand its foot prints in the global market. BDL has already made forays into the Export Market by exporting the Light Weight Torpedoes to a friendly foreign country. The 'ease of doing business' environment ushered by the Government has opened up a plethora of opportunities for the Company to export its exportable products to friendly countries. BDL has already received several leads from friendly countries to export its products.

To cater to the growing demands and need to offer state of the art weapons to the Armed Forces, BDL is augmenting the resources for infrastructure developments and emphasis is being given to optimally invest for modernization requirements.

BDL and MBDA, UK have signed an MoU & Licensing agreements to establish a facility for Final Assembly, Integration and Test (FAIT) of Advanced Short Range Air-to-Air Missile (ASRAAM) missiles in India. The new facility will be coming up at BDL premises. Under the licensing agreement, MBDA will transfer the equipment and knowledge to BDL for establishing the facility. This will further strengthen the collaboration, which BDL has with MBDA for its various missile programmes.

The Company is setting up its sixth manufacturing facility in India, which will be coming up at Jhansi in the UP Defence Corridor. The Jhansi unit will be manufacturing Propulsion System which will be used in all Anti-Tank Guided missiles and futuristic missiles manufactured by the Company. This is an important step towards the backward integration plan being implemented to further strengthen the capability to deliver world class weapon systems to the customers.

BDL will continue to lay its focus on its indigenization programme. In the foreign collaboration programs that BDL has entered into, the company has been successful in indigenizing items, over and above the contracted indigenization content percentage with the support of Original Equipment Manufacturers (OEMs). The average percentage of indigenization across BDL is between 80 to 90 percent. This philosophy of the company has helped it to reduce the import cost and offer competitively priced products to the Indian Armed Forces. This has been very important factor since the Armed Forces are getting latest products with assured product life cycle support from BDL. In line with the Aatmanirbhar Bharat initiative of the Indian Government, BDL has furthered its indigenization processes by involving several vendors including MSMEs, who indigenize components through the Government's 'Srijan' portal. BDL has a robust vendor echo system and a strong supply chain spread across the country.

Thrust is also being given more towards Innovation through in-house developed products. Synergy is being maintained between the industry and academia to sustain balance between experience and knowledge industry. BDL is also identifying areas of new technologies required to modernize the processes and facilities. Some of the key new products which are in pipe line and under various stages of development are Amogha-III, QR-SAM, NAG, MP-ATGM, AKASH (NG), Smart Anti-Airfield Weapon, Dishani, Garudastra.

BDL has also taken up several initiatives to be a part of global supply chain by entering into MoUs / agreements with foreign OEMs. The Company is working relentlessly not only to achieve self- reliance but also to export its 'Made in India' products to friendly foreign countries and build a resurgent Atmanirbhar Bharat.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

BDL has put in place all required internal controls and systems commensurate with its size and nature of the business to meet the canons of financial propriety. The effectiveness of the internal controls is continuously monitored by an in-house Internal Audit Department comprising of professionally qualified personnel. Internal Audit's main objective is to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. The scope of the Internal Auditor is approved by the Audit Committee of the Board. Appointment of External audit firms has been continued to ensure adequacy and report thereon. These audit firms are in addition to Internal Audit Department supporting the department. A detailed analysis of reports of Internal Audit Firms as well as reports of Internal Audit Department of the Company are placed before the Audit Committee for its review and advice.

a) Cost reduction initiatives: During the year under report, an amount of around ₹ 4 Crore has been achieved under cost review/reduction programme by way Publicity, Advertisements, Rates & taxes, Repair to furniture & equipment's, water charges etc.

b) Economy Measures:-In line with Ministry of Finance Office Memorandum on Expenditure Management, Economy Measures and Rationalization of expenditure and keeping in view of COVID-19 pandemic, Company has observed financial prudence and economy on areas like travelling expenses, advertisement and publicity expenses, purchase of new vehicles, conducting seminars and conferences, courtesy and entertainment, etc during the year 2021-22. Inventory of raw-material, work-in progress and spare parts is maintained at optimal levels. Energy consumption, fixed and variable overheads and Contingency expenditures are being constantly reviewed and pruned to bare minimum.

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

6.1 The manpower strength of the Company as on 31 March 2022 is as under:

	Non- Executives	Executives	Temporary	Total
Male	1647	724	7	2378
Female	191	100	5	296
Total	**1838**	**824**	**12**	**2674**
Previous Year	1907	869	36	2808

BDL has a very well defined training and development programmes for the Executives and Non-Executives. BDL is certified with PCMM (People Capability Maturity Model) Level 2 rating.

BDL has institutionalized the Succession Planning Process through Gap Analysis, identifying critical roles and identifying key bench strength for each critical role position, Readiness index of the successors based on Performance Management Systems and other criteria as per the succession planning policy of the company. Inputs from Assessment Development Centres were also taken while grooming the successors. The vacancies of all critical posts as per succession plan are filled meticulously through regular incumbent with the internal talent pool and if required with outsiders in case internal talent pool is not available.

6.2 Industrial Relations

BDL continues to enjoy cordial and harmonious Industrial Relations with the Cooperation and support of all sections of employees viz. Recognized Trade Union, Associations such as SC, ST, OBC and Officers Association. Statutory and Non Statutory Committees such as Works Committee, Safety Committee, and Welfare Committee are contributing to workplace discipline.

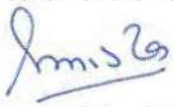
7. ENVIRONMENTAL MEASURES:

BDL contributes in all aspects for clean and green environment by systematically integrating best practices to bring in cleaner technologies and greening the environment through recycle, reuse and reduce approach. Effluent treatment plant, Sewage treatment plant are being operated. Various environmental protection activities such as water conservation, tree plantation, disposal of hazardous waste and metal scrap, planting of saplings and landscaping, utilizing treated effluent water and domestic water have been carried out. The Company has been reviewing status of various types of pollutions through ISO 14001 core team meetings, internal audits and management review meeting at regular intervals. Annual surveillance audits are being carried out at all the three units to assess the effectiveness of Environmental Management System.

8. 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.

For and on behalf of the Board



Cmde Siddharth Mishra (Retd)
Chairman and Managing Director
DIN: 08367035

Place : Hyderabad
Date : 26 May 2022

ANNEXURE-IV

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 2022.

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 2022, 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 five 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.Diwakar	Director (Technical)
3)	Shri. P. Radha Krishna	Director (Production)
4)	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. M S R Prasad, DG (MSS) & DS #	Government Nominee Director
3)	Dr. BHVS Narayana Murthy, DG (MSS) & DS #	Government Nominee Director
C)	**Part-time Non-Official Director (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

Ministry of Defence, Department of Defence Production, Government of India vide its Office Memorandum No.DDP.M-0001(11)/3/2018- D(BDL) dated 25/08/2021 has appointed Dr. BHVS Narayana Murthy, DS&DG(MSS)/DRDO in place of Shri. MSR Prasad w.e.f 25 August 2021.

* Appointed vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03/01/2022 with effect from 24 December 2021

@ Appointed vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03/01/2022 with effect from 27 December 2021.

^ Appointed vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03/01/2022 with effect from 28 December 2021.

Note:- There is one vacancy of Independent Director as on 31 March 2022. All the vacancies were timely notified to Administrative

c) Meetings of the Board and Attendance thereof; Number of other Boards or Board Committees in which Director is a Member or Chairperson

During the year 2022-22, Five (5) Board Meetings were held and the maximum interval between any two meetings was compiled with in terms of SEBI Regulations and Companies Act. The Board Meetings were held on 21 June, 2021, 13 August 2021, 11 November 2021, 21 December 2021, and 14 February 2022. The Board meets at least once in every three months and at least four such meetings shall be held every year. 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 2021-22 are furnished as follows:

Name of Directors	Board Meetings		Attendance At last AGM held on 27 Sep 2021	No. of other director ships held	Name of the Listed entities where Directors are on Board		No. of Committee membership across all companies	
	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	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director & Chairman	-	-
Shri.N.P.Diwakar Director (Technical)	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	-
Shri.P.Radha Krishna Director (Production)	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	-
Shri.N.Srinivasulu Director (Finance) & CFO	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director & CFO	-	1
Part-Time Official (Government) Directors (Non-Executive-Non independent)								
Shri. Chandraker Bharti	5	4	No	4	Bharat Dynamics Ltd Hindustan Aeronautics Ltd	Non-Executive Non Independent Director	-	-
Shri. M S R Prasad (Ceased w.e.f 25 August 2021)	1	1	NA	Nil	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
Dr. BHVS Narayana Murthy (Appointed w.e.f 25 Aug.2021)	3	3	No	Nil	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
Part-Time Non-Official Directors (Non-Executive-Independent)								
Shri. Sunil Chintaman Mone (Appointed w.e.f 24 Dec. 2021)	1	1	Not Applicable	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	1	1
Prof. (Dr.) Sanghamitra Mishra (Appointed w.e.f 27 Dec. 2021)	1	1	Not Applicable	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2
Shri. Rajendra Singh Shekhawat (Appointed w.e.f 28 Dec. 2021)	1	1	Not Applicable	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2
Shri. Nandakumar Subburaman (Appointed w.e.f 24 Dec. 2021)	1	1	Not Applicable	2	Bharat Dynamics Ltd PVP Ventures Ltd Picture House Media Ltd	Non-Executive Independent Director	1	1
Dr. Pawan Sthapak (Appointed w.e.f 24 Dec. 2021)	1	1	Not Applicable	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2

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 Companies registered under the Companies Act, 2013, excluding 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 Committees 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 Director/Managing Director of the Company serves as Independent Director in more than three listed Companies.

(4) None of the Directors 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 2022 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. 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 2021-22. 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 2021-22 are placed in the website of the Company and can be accessed at https://bdl-india.in/investors.

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 2022.

3. MANDATORY COMMITTEES OF THE BOARD:

A) AUDIT COMMITTEE:

The composition of the Audit Committee was not in line with Section 177 of Companies Act 2013 (the Act), Regulation 18 of the Listing Regulations, and DPE Guidelines. The Audit Committee was suspended from 13 September 2020 till 02 January 2022 due to no representation of Independent Directors on the Board. On induction of five (5) new Independent Directors on the Board by Govt. of India, the Audit Committee was reconstituted w.e.f 03 January 2022.

During the year, two (2) meetings of the Audit Committee were held on 14 February 2022 and 21 March 2022. The composition and the details of attendance of Members for the said meetings is 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	2	2
2	Prof. (Dr.) Sanghamitra Mishra, Member*	Non-Executive Independent Director	2	2
3	Shri. Rajendra Singh Shekhawat, Member*	Non-Executive Independent Director	2	2
4	Shri. Nandakumar Subburaman, Member*	Non-Executive Independent Director	2	2
5	Dr. Pawan Sthapak, Member*	Non-Executive Independent Director	2	2
* Appointed w.e.f 03 January 2022				

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. The Company Secretary acts as the Secretary of the Audit Committee. All the recommendations of the Audit Committee have been accepted by the Board of Directors. Since the Audit Committee was under suspension due to the reasons as stated above, there was no Chairperson of Audit Committee to attended the 51st AGM of the company held on 27 September 2021.

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 was not in line with Section 178(1) of the Companies Act, 2013 Reg.19 of the Listing Regulations and DPE Guidelines due to no representation of Independent Directors on the Board. On induction of 5 (five) new independent directors on the Board by Government of India, The Company has reconstituted the committee with effect from 03 January, 2022 in line with the regulatory requirements.

During the year, one (1) meeting of the Nomination and Remuneration Committee was held on 14 Febuary, 2022. The Composition of the Committee and details of the attendance of the Members to the meeting is 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
* Appointed w.e.f 03 January 2022. 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:

i. 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. The appointment / remuneration and other matters in respect of key managerial personnel and senior management personnel are governed by the BDL recruitment rules and procedures subject to the policies and directors that may be issued by the Board of Directors. Pay scales of the KMPs and Senior Management personnel are governed by Presidential Directives received from the Administrative Ministry.

ii. 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.

iii. 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.

iv. 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 details of the sitting fees paid to the Independent Directors for attending the Meetings during the year 2021-22 are given below:

Name of the Independent Director	Amount (₹)
Shri. Nandakumar Subburaman	1,15,000
Shri. Sunil Chintaman Mone	1,15,000
Prof. (Dr.) Sanghamitra Mishra	1,15,000
Shri. Rajendra Singh Shekhawat	1,15,000
Dr. Pawan Sthapak	1,15,000

v. The details of remuneration of CMD & Functional Directors, paid during the year 2021-22 is as follows: -

Name of Director	Designation	Salary	Perquisites	VL Encashment	Company Contribution To PF & Incremental Gratuity /Leave/Pension-Exe Scheme & PSMB II	Incentive	Total
Cmde Siddharth Mishra (Retd)	CMD	4137184	907520	-	912405	1905201	7862310
Shri N.P. Diwakar	Director (Technical)	3310374	726228	209945	1118979	1551240	6916766
Shri P Radha Krishna	Director (Production)	3127516	685934	-	845109	1439983	6098542
Shri N Srinivasulu	Director (Finance)	2954301	647856	-	782904	996589	5381650

vi. Stock Options: - The Company has no Stock Option plans/schemes approved by the Board/Shareholders.

vii. 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 2021-22.

viii. 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.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee was not in line with Section 178 of the Companies Act, 2013 and Reg. 20 of the Listing Regulations. The Stakeholders Relationship Committee was suspended from 13 September 2020 till 02 January 2022 due to no representation of Independent Directors on the Board. On induction of five (5) new Independent Directors on the Board by the Government of India, the Stakeholders Relationship Committee was reconstituted w.e.f. 03 January 2022.

During the year, one (1) meeting of the Stakeholders Relationship Committee was held on 21 March 2022. The composition of the Committee and details of the Members participation for the said Meeting is 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 Member*	Executive Director	1	1
* Appointed w.e.f 03 January 2022. The Company Secretary acts as the Secretary of the Committee.				

Terms of Reference:

The terms of reference of the Committee is as follows:

- 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 https://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:	12
No. of complaints resolved during the year:	12
No. of complaints pending resolved at the end of the year:	0

D. CSR & SD COMMITTEE:

The composition of the CSR & SD Committee was not in line with Section 135 of the Companies Act, 2013 and DPE Guidelines. The CSR & SD was suspended from 13 September 2020 till 02 January 2022 due to no representation of Independent Directors on the Board. On induction of five (5) Independent Director on the Board by the Government of India, the CSR & SD Committee was reconstituted w.e.f 03 January 2022. During the year, one (1) meeting of the CSR & SD Committee was held on 21 March 2022.

The composition of the Committee and details of the Members participation for the said Meeting is 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	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. Nandakumar Subburaman Member*	Non-Executive Independent Director	1	1
5	Dr. Pawan Sthapak Member*	Non-Executive Independent Director	1	1
6	Shri. P Radha Krishna Member*	Executive Director	1	1
* Appointed w.e.f 03 January 2022 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 composition of the Risk Management Committee was not in line with provisions of section 178(1) of the Companies Act, 2013 and Regulation 21 of the Listing Regulations. The Risk Management Committee was suspended from 05 May 2021 till 02 January 2022 due to no representation of Independent Directors on the Board. On induction of five (5) new Independent Director on the Board by Govt. of India, the Risk Management Committee was reconstituted w.e.f 03 January 2022.

During the year, one (1) meeting of the Risk Management Committee was held on 21 March 2022. The composition of the Committee and the details of the Members participation for the said Meeting is 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	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	Shri. Nandakumar Subburaman Member*	Non-Executive Independent Director	1	1
6	Shri. NP Diwakar Member*	Executive Director	1	1
* Appointed w.e.f 03 January 2022 The Company Secretary acts as the Secretary of the Committee.				

Terms of reference :

- To review and assess the quality, integrity and effectiveness of the Risk Management Systems, especially Cyber Security measures taken up by the Company 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.
- 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 COMMITEES 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 constituted the Committee with Chairman & Managing Director as Chairman of the Committee and other Functional Directors as Members of the Committee. The Committee met eleven (11) times during the year on 12 May 2021, 18 June 2021, 28 June 2021, 16 August 2021, 23 September 2021, 27 September 2021, 09 November 2021, 17 December 2021, 13 January 2022, 15 February 2022 and 10 March 2022.

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 21 March 2022 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.

5) GENERAL BODY MEETINGS:

i) The details of the last three Annual General Meetings are as follows:

AGM No.	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	No. of Special Resolutions
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
49	2018-19	27 Sep 2019	15:30 Hrs	Hotel Sheraton, Hyderabad	2

ii) No special resolution was put through postal ballot during the year under review.

iii) Person who conducted the postal ballot exercise: Not Applicable.

iv) No Special resolution proposed to be conducted through postal ballot.

v) 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 (www.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. The official media releases and presentations made to Institutional Investors/Analysts are posted on the Company's website.

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 www.bdl-india.in. 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 52nd Annual General Meeting for the year 2021-22 is scheduled on Monday, the 26 September, 2022 at 15:00 hours through VC / OAVM.

(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 2022-23 is given as below:

For the quarter ending 30.06.2022	On or before 14.08.2022
For the quarter ending 30.09.2022	On or before 14.11.2022
For the quarter ending 31.12.2022	On or before 14.02.2023
For the year ending 31.03.2023	On or before 30.05.2023
53rd Annual General Meeting	On or before 30.09.2023

(c) The Register of Members and Share Transfer Books shall remain closed from 20 September 2022 to 26 September 2022 (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') P.J.Towers, 26th Floor, Dalal Street, Mumbai - 400001	National Stock Exchange of India Ltd ('NSE') Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai - 400051

The Company has paid listing fees for the financial years 2021-22 and 2022-23 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 Practising 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 2022-23 to both the Depositories, viz, NSDL and CDSL.

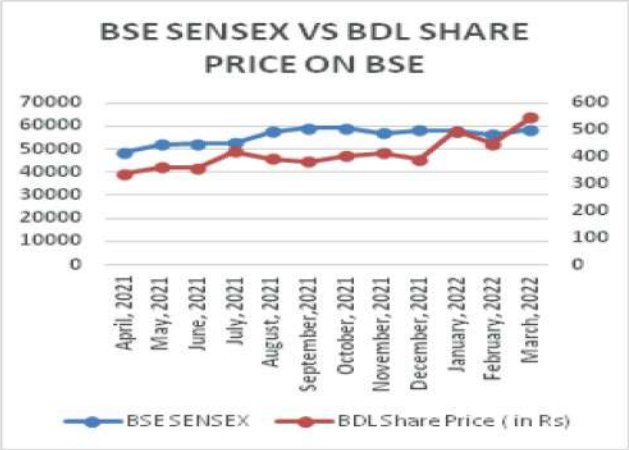
(h) **Market Price Data :**

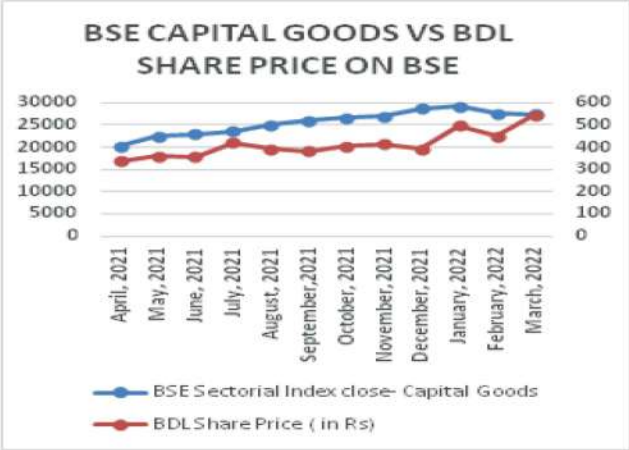
The details of high/low market prices of the shares of the Company at BSE Ltd and National Stock Exchange of India Ltd (NSE) are as under:

1) BDL Share Price on BSE vis-a-vis BSE Sensex & S&P BSE Sectoral Index during 2021-2022 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, 2021	48782.36	20252.38	352.20	321.50	336.90	199045	669.52
May, 2021	51937.44	22498.27	375.90	326.25	360.95	346123	1222.34
June, 2021	52482.71	22948.98	377.25	341.00	357.70	387668	1404.79
July, 2021	52586.84	23671.73	426.25	359.80	419.90	813086	3163.55
August, 2021	57552.39	24973.86	428.90	367.10	392.95	755196	2965.92
September,2021	59126.36	25966.72	413.20	376.00	383.05	343540	1358.84
October, 2021	59306.93	26673.33	455.00	368.10	404.70	753532	3132.03
November, 2021	57064.87	26892.79	450.00	370.05	414.60	438323	1854.53
December, 2021	58253.82	28750.72	440.00	376.70	390.80	474573	1892.36
January, 2022	58014.17	29158.30	511.00	386.95	497.80	793464	3583.04
February, 2022	56247.28	27658.04	535.70	407.70	449.05	1099380	5223.45
March, 2022	58568.51	27506.04	611.45	438.55	546.60	1351871	7215.49
The Market capitalization of the Company as on 31 March 2022 is ₹10018.15 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 2021-22 is presented in the following graph:

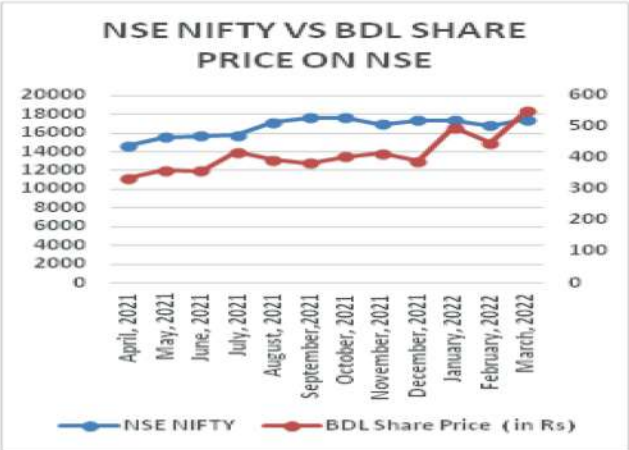


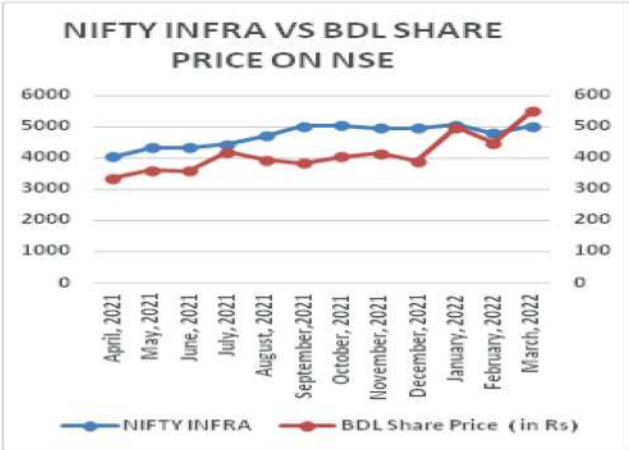


2) BDL Share Price on NSE vis-a-vis NSE Nifty & Nifty Infra during 2021-2022 is as follows:

Month	NSE Nifty Close	Nifty Infra Close (Sectoral Index)	BDL Share Price			No. of Shares traded	Turnover (₹ in lakh)
			High ₹	Low ₹	Close ₹		
April, 2021	14631.10	4053.10	351.90	321.10	336.85	2485498	8375.15
May, 2021	15582.80	4327.90	375.00	326.00	361.70	5194581	18515.30
June, 2021	15721.50	4339.25	377.60	345.25	357.95	5910556	21368.51
July, 2021	15763.05	4432.30	426.60	359.25	420.05	14206879	55254.14
August, 2021	17132.20	4709.85	429.20	367.00	393.10	7446965	29286.88
September,2021	17618.15	5025.35	412.90	376.20	382.95	4481516	17664.05
October, 2021	17671.65	5045.10	449.95	368.15	405.45	10538533	43715.56
November, 2021	16983.20	4959.35	451.00	370.00	414.45	6225601	26336.46
December, 2021	17354.05	4949.90	439.00	377.20	389.55	3253549	13129.90
January, 2022	17339.85	5056.75	511.75	385.65	497.90	11207925	51331.62
February, 2022	16793.90	4798.75	536.30	406.50	448.15	13225738	63519.91
March, 2022	17464.75	5018.55	612.00	438.65	549.30	19980677	107219.22
The Market capitalization of the Company as on 31 March 2022 is ₹10067.64 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 2021-22 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 :**

With respect to shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach their respective depositary 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.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 01 April 2019, except in case of request received for transmission or transposition of securities. However, shareholders are not barred from holding shares in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

k. **Distribution of shareholding as on 31 March 2022 :**

Category	No. of shareholders	%	Shares	%	Physical		Demat	
					No. of shareholders	Shares	No. of shareholders	Shares
1 - 500	110604	98.18	6252203	3.41	1	10	110603	6252193
501-1000	1203	1.07	905922	0.49	0	0	1203	905922
1001-2000	411	0.36	610582	0.34	0	0	411	610582
2001-3000	141	0.13	355234	0.19	0	0	141	355234
3001-4000	55	0.05	197848	0.11	0	0	55	197848
4001-5000	43	0.04	201560	0.11	0	0	43	201560
5001-10000	84	0.07	598687	0.33	0	0	84	598687
10001 & above	107	0.10	174159214	95.02	0	0	107	174159214
Total	**112648**	**100.00**	**183281250**	**100.00**	**1**	**10**	**112647**	**183281240**

l. **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 2022, the number of equity shares in electronic form and physical form is as follows:

S.No	Particulars	No. of Shares	%
1	NSDL	178179788	97.22
2	CDSL	5101452	2.78
3	Physical	10	0
	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 2021-22 is as follows:

Particulars	BSE	NSE	Total
No. of Shares traded	7755801	104158018	**111913819**
Value (₹. in lakh)	33685.87	455716.70	**489402.57**

m. **Outstanding GDRs/ADRs/Warrants :**

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

n. **Commodity price/Foreign exchange risk and hedging activities :**

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

o. **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

p. **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) 23456107
E-mail : investors@bdl-india.in
Website : www.bdl-india.in

q. **Credit Rating :**

The Company has obtained 'A1+' (Reaffirmed) rating from M/s. CRISIL for short-term Bank facilities for an amount of ₹ 600 Crore for the year 2022-23.

8. OTHER DISCLOSURES:

a) The Company has no subsidiaries, Joint Ventures and Associate Companies as on 31 March 2022. Materiality policy is placed on the web-site of the Company at https://bdl-india.in/policies-codes

b) During the year 2021-22 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 http://bdl-india.in.

d) During the year, the Company did not comply with the requirement of fifty percent of Independent Directors on the Board. Further from 13 September 2020 till 23 December 2021 there was no Independent Director on the Board and the company has not complied with the provisions pertaining to Quorum of Board Meetings (Reg.17A), provisions pertaining to Audit Committee (Reg.18), provisions pertaining to Nomination and Remuneration Committee (Reg.19), provisions pertaining to Stakeholders Relationship Committee (Reg.20) and provisions pertaining to Risk Management Committee (Reg.21). Accordingly, as per SEBI Circular No. SEBI/HO/CFD/CMD/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.

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 and further no such whistle blower cases were reported. The policy is available on the website of the Company https://bdl-india.in/investors.

f) 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. However, such non-disclosure does not have any financial impact on the accounts of the Company. Necessary disclosure is being made in Notes forming part of Accounts in this regard.

g) During the year 2021-22, 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	2021-22	2020-21
1	Total Expenditure (other than Materials)	1006.11	826.32
2	Administrative & Office Expenses	7.09	9.93
3	Percentage of (2) on (1)	0.70%	1.20%

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	2021-22	2020-21
Audit Fees	10.00	10.00
Tax Audit Fees	1.25	1.25
Other Services	5.25	4.50
Reimbursement of Expenses	0.19	-
Total	**16.69**	**15.75**

m) No items of expenditure other than 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/. Further, no unclaimed dividend/shares from previous years is due to be transferred to the IEPF as on March 31, 2022. The details of the Unclaimed Dividends as on 31 March 2022 is as below:

Particulars	No. of shareholders	Amount (in ₹)
Final Dividend 2017-18	922	331724.16
Interim Dividend 2018-19	854	223865.25
Final Dividend 2018-19	846	76808.31
Interim Dividend 2019-20	1334	417856.25
Final Dividend 2019-20	957	125323.40
Interim Dividend 2020-21	893	294629.60
Final Dividend 2020-21	921	32055.00
Interim Dividend 2021-22	1448	643049.10
Total	**8175**	**2145311.07**

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, 2022.

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.

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. Further from 13 September 2020 till 23 December 2021 there was no Independent Director on the Board and the company has not complied with the provisions pertaining to Quorum of Board Meetings (Reg.17A), provisions pertaining to Audit Committee (Reg.18), provisions pertaining to Nomination and Remuneration Committee (Reg.19), provisions pertaining to Stakeholders Relationship Committee (Reg.20) and provisions pertaining to Risk Management Committee (Reg.21). 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.

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. 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 including quorum for Board Meetings and constitution of various Committees (for the part of the year). 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 2021-2022 is attached with this report.

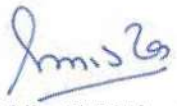
15. CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES:

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 website. The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year 2021-22. A declaration to this effect by the Chairman & Managing Director is given below:

16. 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 2022.

For and on behalf of the Board



Cmde. Siddharth Mishra (Retd)
Chairman and Managing Director
DIN: 08367035

Place : Hyderabad
Date : 26 May 2022

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 Bharat Dynamics Limited ("the Company"), for the year ended 31st March, 2022, as per the relevant provisions of 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, 2022 and Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Public Sector Undertakings for the year ended 31st March 2022.

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 requirement of Fifty percent of Independent Directors on the Board including one Women Independent Director, till the third quarter end. Consequently, the requisite quorum of Board & Committee meetings under Regulation 17(2A), and the constitution of Audit Committee under Regulation 18, Nomination & Remuneration Committee under Regulation 19 and Stakeholders Relationship Committee under Regulation 20 of the SEBI (LODR) Regulations were not complied with till the third quarter as the vacancy of the office of Independent Director under Regulation 25(6) have been only filled in the third quarter end.

- The delay in appointing the Independent Directors is because the Company 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 such appointments vests with the Government of India (GOI) and the Company has rigorously followed with the Administrative Ministry for filling up the vacancy of Independent Directors. Accordingly, the Administrative Ministry vide its

315, Bhanu Enclave, Sundar Nagar, ESI, Hyderabad - 500 038, Telangana.
Tel : 040-23701964/ 23701374/ Mobile: 99852 82222
Email: pjandcofirm@gmail.com, csnavjyoth@gmail.com, Website: www.pjandco.info

letter No. DDP-M0001(11)/1/2018-D(BDL) dated 3rd January 2022 has appointed five new Independent Directors including One Independent Woman Director with effect from December 2021. The appointment of one more Independent Director is in process at Department of Public Enterprises (DPE).

- On Appointment of new Independent Directors on the Board, Company has reconstituted all the Committees with effect from 3rd January 2022 and has complied with all the conditions of Corporate Governance except Regulations 17 with respect to provisions pertaining to Board composition.

Place: Hyderabad
Date: 18th May, 2022

For Puttaparthi Jagannatham & Co.

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896D000338785

PUTTAPARTHI JAGANNATHAM & CO.
COMPANY SECRETARIES

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 having CIN L24292TG1970GOI001353 and having 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, 2022 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.

Ensuring the eligibility of for 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: 18th May, 2022

Puttaparthi Jagannatham & Co. Company Secretaries Hyderabad

For Puttaparthi Jagannatham & Co.

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate
No. 1158/2021
UDIN: F009896D000338730

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Email: pjandcofirm@gmail.com, csnavjyoth@gmail.com, Website: www.pjandco.info

COMPLIANCE CERTIFICATE

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

A. We have reviewed the Financial statements for the year ended 31 March 2022 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 and the Audit committee that :

(i) there are no significant changes in internal control over financial reporting during the period.

(ii) there are no significant changes in accounting policies 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.

Cmde SIDDHARTH MISHRA (Retd)
CHAIRMAN AND MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

N SRINIVASULU
DIRECTOR (FINANCE) &
CHIEF FINANCIAL OFFICER

ANNEXURE-V

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24292TG1970GOI001353
2	Name of the Company	Bharat Dynamics Limited
3	Registered address:	
	a) Corporate Office	Plot No.38-39, TSFC Building, Financial District, Gachibowli, Hyderabad-500032
	b) Registered Office	Kanchanbagh, Hyderabad-500058
4	Website	www.bdl-india.in
5	e-mail id	investors@bdl-india.in
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Weapon system (25200)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacture of Missiles and allied Defence equipments
9	Total number of locations where business activity is undertaken by the Company	4
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	4
10	Markets served by the Company – Local/State/ National/ International/	National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	1832812500
2	Total Turnover (INR)	2817 Crore
3	Total profit after taxes (INR)	500 Crore
4	Total Spending on Corporate Social Responsibility (CSR) (INR)	18.13 Crore
5	List of activities in which expenditure in 4 above has been incurred.	BDL's CSR activities are carried out in the following focus areas: • Education, Literacy & Skill Development • Rural Development • Sports & Swachh Bharat Projects • Drinking water supply & Sanitation and Healthcare initiatives

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1	Details of Director/ Directors responsible for BR	BR function relating to Corporate Social Responsibility and Sustainability is monitored by the Corporate Social Responsibility & Sustainable Development (CSR& SD) Committee of the Board of Directors. The details of the Composition of the CSR & SD Committee are provided in the Corporate Governance Report. The overall Business Responsibility of the company lies with the Chairman & Managing Director who gets them implemented through the respective group heads The details of the CMD of BDL is as follows: DIN: 08367935 Name: Cmde Siddharth Mishra Designation: Chairman & Managing Director Telephone No.: 040-23456123 Email ID: cmdbdl@bdl-india.in The Board has not assigned responsibilities specifically to any Director to function as the BR head.
	(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	
	DIN Number	
	Name	
	Designation	
	(b) Details of the BR head	
	DIN Number (if applicable)	
	Name	
	Designation	
	Telephone number	
	e-mail id	

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles outlined in the National Voluntary Guidelines (NVGs) are as follows

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes, policy formulated after extensive internal consultation, covering all functional areas of the Company. The Company follows all work practices, procedures pertaining to its area of activities/operations as mandated by Industry, Government and relevant statutory bodies								
3	Does the policy conform to any national / international standards?	Yes. Various policies at BDL confirm to different applicable statutes/ guidelines/ rules etc. issued by GOI, and updated from time to time. Industry practices, national/ international standards are generally kept in view while formulating polices.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Various policies conforming to the directives of the Government under various applicable laws / statutes / rules / guidelines etc., are approved by the Board or authority delegated for the same by the Board								

5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of the Annual Report.
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: https://bdl-india.in/investors
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The Company policies and operational framework are available on the Company's website as well as its intranet. Quality, Health, Safety and Environmental Policy displayed at all major location of the Company.
8	Does the company have in-house structure to implement the policy/ policies?	Yes. The Company has well-established in-house infrastructure, manpower pool, documented standard operating procedure and other executive & administrative machineries to implement the given policies in the area of safe and sustainable production of goods and services of the Company.
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes.
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	The Company is subject to various audits such as Statutory Audit by firm of Chartered Accountants appointed by the Comptroller & Auditor General, Internal Audit, C&AG Audit, Cost Audit, Secretarial Audit, Quality Audit, Safety Audit, Integrated Management Systems Audit etc. These audits ensure compliance to various internal and external policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The senior management of the Company reviews BR performance on an on-going basis. The Board/Committees constituted by it review the same annually.
	(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The Company publishes BR Report annually as part of its annual report. The hyperlink for viewing the report: http://www.bdl-india.in/investors

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Yes, the Company has well placed Integrity Pact which is signed with bidders to enable them to raise any issues with regard to high value tenders of more than Rs.2 Crore floated from time to time. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said Integrity Pact. The pact essentially envisages an agreement between the prospective vendors/bidders and BDL committing the Persons/officials of both sides, not to resort to any corrupt practices in any aspect/ stage of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	In the Company, there is constant effort to enhance customer satisfaction level. Accordingly, many initiatives have been taken to address product support issues effectively. Product Support Monitoring Groups have been established across the company to address all supportability issues. BDL had 5 customer complaints pending from the last financial year 2020-21. Further, 19 fresh complaints were received during the year 2021-22. Out of 24 Complaints, 17 Complaints (70.83%) were satisfactorily resolved and 7 Complaints (29.17%) were pending at the end of financial year 2021-22. During the financial year 2021-22, 12 investor complaints / grievances have been received by the Company and through SEBI SCORES Platform, NSE and BSE and Registrar & Transfer Agent. All these complaints were attended to and resolved on priority basis.
Principle 2:	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is engaged in the business of manufacture and supply of various Missiles and allied Defence equipments to Indian Armed Forces.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) :	The company recognizes its commitment to achieve economic development through sustainable methods. This is proposed to be achieved through employment of appropriate technology, transparency in procurement and outsourcing and participation in sustainable development programmes. The Company has implemented various energy conservation measures namely installation of grid connected Solar Power Plant, Electrification with LED lights instead of conventional discharge lamps etc. The Company installed 5 MW Grid connected Solar Power plant at BDL-Bhanur unit through M/s. Solar Energy Corporation of India which has become operational since September 2017. Further the Company also installed another 5MW Grid connected Solar Power plant at Ibrahimpatnam unit through M/s. Solar Energy Corporation of India which has become operational from April 2019. During the year, BDL has undertaken the following initiative under energy conservation: Energy saved due to solar power plant is 1.82 Crore Units. a) 0.98 power factory is being maintained. b) The energy efficient wall mounted fan (72 Nos.) installed.
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	The Company has been following approved criteria for the selection of vendors to ensure sustainable sourcing which inter alia includes vendors having ISO 9000 certification, vendors approved by regulatory bodies; various authorized dealers of the manufacturer, ability to provide materials as per laid down specification and other requirements. Ability to supply materials as per stipulated delivery period, annual evaluation of the orders placed on a vendor is completed to decide the average performance.

<table>
<tr><td>4</td><td>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</td><td>Being the Company is into Defence sector, the policy of procurement from Micro, small and Medium enterprises is not applicable. However, the Company is striving to promote procurement/avail services, through local and small producers and service providers. In line with the Public Procurement Policy of the Government of India (as amended), your Company has achieved more than mandated procurement of 25% from MSMEs. For the year 2021-22, the procurement from MSMEs is 29.72%.
Your Company, continually strives to increase its vendor base through conducting special drives and also by providing free registration in certain cases. During the year 2021-22, eight (8) vendor meets were conducted. Your Company has over 1000 registered vendors on its rolls as on date.</td></tr>
<tr><td>5</td><td>Does the company have a mechanism to recycle products and waste?</td><td>BDL has mechanism in place to send waste for recycling through certified agencies:
a) Solid waste such as metal scrap, wooden scrap, damaged barrels, diesel generator set, UPS, Air Compressor, Split ACs sold out and returned to process market through recycling
b) Hazardous waste such as waste oil, RO reject, life expired chemicals and ingredients, have been disposed through the agency registered pollution control board.
c) E-Waste has been sold out and returned to process / market through recycling.
d) The lead acid batteries are given to the authorised recyclers/dealers on buyback basis as and when required
e) Mercury tube lights has been sold out and returned to process market through recycling.</td></tr>
<tr><td colspan="3">Principle 3 : Businesses should promote the well-being of all employees</td></tr>
<tr><td>1</td><td>Total number of permanent employees as on 31.03.2022.</td><td>2662</td></tr>
<tr><td>2</td><td>Total number of employees hired on temporary/ contractual/ casual basis.</td><td>166</td></tr>
<tr><td>3</td><td>Number of permanent women employees.</td><td>291</td></tr>
<tr><td>4</td><td>Number of permanent employees with disabilities</td><td>99</td></tr>
<tr><td>5</td><td>Employee association</td><td>BDL has nine employee associations recognized by Management</td></tr>
<tr><td>6</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td>97%</td></tr>
<tr><td>7</td><td>Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>NIL</td></tr>
<tr><td>8</td><td>Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year</td><td>
<table>
<tr><td colspan="6">No. of employees trained during 2021-22
(Category-Wise details)</td></tr>
<tr><td>Particulars</td><td>SC</td><td>ST</td><td>OBC</td><td>GEN</td><td>Total</td></tr>
<tr><td>JOTNA</td><td colspan="5">Not Conducted</td></tr>
<tr><td>Non-JOTNA</td><td>124</td><td>44</td><td>237</td><td>284</td><td>689</td></tr>
</table>
</td></tr>
</table>

Principle 4:	**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**	
1	Has the company mapped its internal and external stakeholders? Yes/No	YES
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	BDL's CSR projects aims at benefiting the disadvantaged, vulnerable and marginalised community who are present across Telangana and Andhra Pradesh. Further BDL ensures that the reservation policy as advised by Govt of India is implemented. BDL is also involved in improving the quality of life of persons for whom projects are specially designed. The company has identified (i) SC/ ST (ii) Differently Abled as disadvantaged, vulnerable and marginalized for employment purpose.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	BDL has made commitments for various projects across Telangana and Andhra Pradesh in its CSR thrust areas, largely catering to disadvantaged, vulnerable and marginalized stakeholder's viz. education, sanitation & skill development, healthcare initiatives, drinking water provision etc,. The company follows all the GOI regulations regarding reservations for SC / ST/OBC and Differently abled.
Principle 5 :	**Businesses should respect and promote human rights.**	
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company has no subsidiaries/Joint Ventures/Group etc., The Human resource policies of the Company cover all aspects of human rights of its employees and others associated with it for operation of its business. No complaints have been received in the past financial year on human rights. The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year under review, no such complaint was received.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review, no complaints on human rights were received.
Principle 6:	**Businesses should respect, protect and make efforts to restore the environment.**	
1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Covers the Company as a whole. BDL has no subsidiaries / Joint Ventures/Group etc.,
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	All the three units of BDL at Kanchanbagh, Bhanur and Vizag have been certified with ISO 14001:2015 Environmental Management System and BDL is addressing the environmental issues through various stages such as internal audits, external audits and core team meeting and Management review meetings.
3	Does the company identify and assess potential environmental risks? Y/N	Yes

4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	BDL has not taken any project related to Clean Development Mechanism but under these criteria, BDL is reducing emissions through installation of Venturi Scrubbers in electroplating process. BDL has installed diesel generator complying with the requirements of CPCB norms. BDL has also installed Sewage Treatment Plant (STPs) on Effluent Treatment Plants (ETPs) and treated water is being utilized inside the premises.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Cleaner technology is implemented by inducting CNC Machines, Flow Forming, Robotic welding, Electro Discharge Machining, Electro Chemical Machining and Wave Soldering machines. BDL has undertaken the following initiative under energy conservations: - 0.98 power factor is being maintained - The energy efficient wall mounted fan (72 Nos.) installed
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil
Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	a) Confederation of Indian Industry (CII) b) Society of Defence Technologists c) Hyderabad Management Association d) Standing Conference of Public Enterprises
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	No
Principle 8 : Businesses should support inclusive growth and equitable development		
1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	As stated in the above sections, BDL's various CSR projects are in pursuit of the socio and economic development across the States where the units are situated. Further the BDL's Vendor development programs pave the way for achieving the inclusive growth and equitable development.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	BDL largely collaborates with various NGOs, foundations, government agencies, and other professional agencies for execution of the project on the ground.
3	What is your company's direct contribution to community development projects?	During the financial year 2021-22, the contribution to community development projects was Rs.18.13 Crore. Please refer to the Annexure-I of Annual Report forming part of this Annual Report on various CSR Activities being undertaken by the company.
4	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes. BDL conducts Impact assessment for majority of the projects

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.		
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year ?	BDL has 05 customer complaints pending from the last financial year 2020-21. Further 19 fresh complaints were received during the year 2021-22. Out of 24 Complaints, 17 Complaints (70.83%) were satisfactorily resolved and 7 Complaints (29.17%) were pending at the end of financial year 2021-22. During the financial year 2021-22, 12 investor complaints / grievances have been received by the Company and through SEBI SCORES Platform, NSE and BSE and Registrar & Transfer Agent. All these complaints were attended to and resolved on priority basis.
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not applicable as the Company is into business of Weapon systems. The product information is sensitive and classified. Hence, there is no display of product information.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	No, however BDL always obtains customer satisfaction survey and feedback from the customers at regular intervals

For and on behalf of the Board

Cmde Siddharth Mishra (Retd)
Chairman and Managing Director
DIN: 08367035

Place : Hyderabad
Date : 26 May 2022

G. NATESAN & Co.,
Chartered Accountants

Head Office :
No. 7/1, Fourth Street,
Abiramapuram,
Chennai - 600 018.

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 26.05.2022, for the following reasons:

a. *stating the unit of measurement of values in the tables under Clauses 1(c), 7(a) and 7 (b) in the Annexure A to the Audit Report containing our report on various matters specified in Paras 3 and 4 of the Companies (Auditor's Report) Order, 2020.*

b. *Clarifying on the reporting requirement under Clause (g) of Rule 11 to Companies (Audit and Auditor's Rules) 2014. This amendment is made in compliance to the provisional comments issued by the Principal Director of Commercial Accounts 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, 2022, 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 (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 2022, and Profit and Other Comprehensive Income, changes in Equity and its Cash Flows for the year ended on that date.

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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.

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
Recognition-Property , Plant and Equipment and Capital Work in progress a) The process of capitalisation 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. 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	Principal Audit procedures performed include: ❖ Understanding the process of initiating, approving and issue of purchase/work orders ❖ Method followed in capturing the relevant direct and indirect costs for capitalisation through the accounting software and fixed asset module ❖ Procedure for determining date of capitalisation and useful life of the project/asset/component with

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. 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 capitalised at the correct date under correct asset classification. 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. 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. Hence it is considered as a Key Audit Matter, *Refer Note Nos. 1,2,4 & 5 and Accounting Policy No.11.*	communications/certificates from user departments. ❖ Performed detailed testing of project/ asset/ component capitalised during the year ❖ Ensured adequate disclosures as per Indian Accounting Standard The company has capitalized Rs 3,131.55 lakhs of PPE, Rs 99.85 lakhs of Intangible assets and Rs 5,122,.58 lakhs of right to use assets in the form of leasehold land. Our audit procedures as detailed above has not revealed any incorrect capitalisation or inadequate disclosures
Exceptional Item: Impairment recognised during the year: The company has assessed impairment loss in respect of a lease property and the infrastructure created therein. The total value of impairment assessed during the year is Rs 3,358.57 lakhs. The impairment loss is presented in the Profit & Loss accounts as an exceptional item.	We reviewed the terms of lease, more specifically to the covenants that specify a. the purpose for which the lease was taken b. the timelines within which the company should submit building plans c. the timelines by which the company should commence and complete construction d. terms of payment of charges and other levies due to the lessor

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The consideration of triggers, identification of significant changes with adverse effect, the consequent impairment assessment are areas that involve significant management judgement. The impairment is also one of the significant events that occurred during the current period under audit. Therefore, this subject as a Key Audit Matter. *Please refer Note No. 38(1) and Accounting Policy 15.*	e. the right of the lessor to retrieve the leased property in certain circumstances. We reviewed the correspondence between the company and the lessor on the relevant subjects such as levy of service charges, request for extension of lease and lessor's intention to retrieve the leased property. We assessed the legal rights and obligations of either party flowing from the lease deed. We reviewed the status of the project for which the right to use asset was acquired and the circumstances around it as at the date of balance sheet. We evaluated the management's assessment of the attendant circumstances leading to the decision to recognise impairment. The audit procedures adopted by us did not lead to any reservations regarding the impairment assessment.
Contingent Liabilities disclosed with regard to taxation related disputes The company is in litigation with the tax departments on various issues, received demands, deposited a portion of the demands under protest and has contested against the orders in appropriate forums. In one instance the first appellate authority has decided against the company. The issues involved are varied. The company has not made any provision for these demands which total to Rs 30,951.31 lakhs crores. All the demands are treated as contingent liabilities.	Our audit procedures relating to Contingent Liabilities disclosed regarding certain legal and tax matters included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with the management the recent developments and the status of the material litigations; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other

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This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws & regulations and application of relevant judicial precedents to determine whether a provision is required or the same may be disclosed as a contingent liability, and making related disclosures in the financial statements. *Refer Note Nos 38 (6) and Accounting Policy No.16*	significant litigations disclosed in the Standalone Financial Statements; • We used our expertise to gain an understanding and to evaluate the disputed tax matters; •We evaluated the orders raising the demands and other communication from regulatory authorities and management responses thereto; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered remote by the management; and • We assessed the adequacy of the Company's disclosures. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Financial Statements is considered reasonable.
Provisions & Accounting Estimates: The company creates several charges as Provisions. These charges relate to obligations to employees, vendors and customers.	▪ The audit procedures adopted to test the judgements of the management, the appropriateness of historical data for quantification and application of Ind AS covenants are:

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The charges arise out of legal obligations or based on trade practices or governmental directives or its own past practices that raise expectations of other parties to act similarly. The need for the charge and consequent provisioning involve management judgement and susceptible to high risks. Quantification of the charge involves high degree of estimation and generally based on historical data or trade practices. This again involves management judgement on selection of the basis for quantification. Such judgements and estimates need to be tested appropriately and should also conform to Ind AS covenants. It is therefore key audit matter. *Refer Note Nos 27 & 38 and Accounting Policy No.16*	▪ Review of the subject with reference to the triggers based on which the obligations are purported to arise ▪ Review of past practices supported by factual evidences that the company's previous actions have given raise to expectations in the market leading to a constructive/legal obligation as at the date of balance sheet ▪ Review of relevant documents that support the management judgement that an obligation exists and that will entail outflow of company's economic resources ▪ Assessment of past practices, triggers and historical data as being eligible to form the basis for the provision/accounting estimates ▪ Review of precedents with supporting evidences that benchmark the process of estimation of provision ▪ Validation of the quantum of provision with reference to present facts. ▪ Assessment of adequacy of disclosures made and compliance with Ind AS covenants. Our review of the provisions created by the company does not reveal any material discrepancy in the provisioning as well as their quantification.

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Emphasis of Matter

We draw attention to Note Nos. to the standalone financial statements specified below:

Note No. 38(1): The exceptional item of Rs 3,358.57 lakhs reported in the profit & loss account represents recognition of impairment of a right to use asset and infrastructure created thereon. The right to use was acquired in 2014 for a specific project of Government of India. The project is yet to be finalized. The company's right is tempered with timelines which the company has not complied. The lessor has exercised its option to repossess the asset due to non-compliance. The company is pursuing with the lessor for extension of timelines. The company has recognised impairment pending such extension.

Note No. 38(7): The company holds unusable inventory of Rs 9,446 lakhs which relates to an order that is since cancelled by the customer. The company holds a customer advance of Rs 36,234.42 lakhs. No provision has been made towards such inventory which is held as a current asset. The company contends that the customer's advance held is sufficient to cover the value of inventory, so no loss would be incurred by the company on this account and hence no provision is considered necessary.

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

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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Management's responsibility 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.
    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.

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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**: and

h) 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, 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.

G.NATESAN & CO. FRN:002424S Fourth St: Chennai-18. Chartered Accountants

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vii) The dividend declared/paid by the company is in accordance with Section 123 of the Companies Act, 2013.

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 2022 and hence not applicable to the year under report.

Place: Hyderabad
Date: 11.07.2022

For G.Natesan and Co
Chartered Accountants
FRN 002424S

C.P.Ranga.

CA K P Ranganathan
Partner
M.No : 239498
UDIN : 22239498AMTYIT7079

G. NATESAN & Co.,
Chartered Accountants

Head Office :
No. 7/1, Fourth Street,
Abiramapuram,
Chennai - 600 018.

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*

We are issuing this revised Annexure A to Independent Auditor's Report by stating the unit of measurement of values in the tables under Clauses 1(c), 7(a) and 7 (b) herein. This report supersedes our earlier report dated 25.05.2022.

1. (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 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 Ibhrahimpatnam (632 Acres 15.50 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

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Land at Kanchanbagh (5 Acres 1 Gunta)	0.97	DMRL	NO	19-10-1972	Pursuing with authorities for incorporation in revenue records

(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 thereunder.

2. (a) The inventory has been physically verified by the management during the year except 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.410 crores. 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.

3. 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

4. In our opinion and according to the information and explanations given to us, the company has not has given any loans, made investments or provided guarantees and securities that are covered by the provisions of Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable to the company

G.NATESAN & CO. FRN:002425S 77, Fourth St Kanchipuram, Chennai -18. Chartered Accountants

5. 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 b 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.

6. 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) 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.

7. (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, dutyof 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 provisions under Income Tax Act, 1961 outstanding as at the last date of the financial year 2021-22 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	Period to which the amount relate	Due d ate	Date of Paymen t
Income Tax Act, 1961	TDS defaults	1,14,105	2014-15	NA	Not paid
Income Tax Act, 1961	TDS defaults	3,760	2012-13	NA	Not paid
Income Tax Act, 1961	TDS defaults	7,220	2011-12	NA	Not paid
Income Tax Act, 1961	TDS defaults	73	2008-09	NA	Not paid

(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);

G.NATESAN & CO. Chartered Accountants FRN:002424S 24, Fourth St Nandanam, Chennai -18.

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Nature of Statue	Nature of Due	Disputed Amounts in Rs Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Sales Act	Tax	5,550.83	2011-12	Telengana High Court
Central Sales Act	Tax	5,024.27	2012-13	
Central Sales Act	Tax	4,266.81	2013-14	
Central Sales Act	Tax	6,468.12	2014-15	
Finance Act,1994	Service Tax	2,355.51	2012-13 TO 2014-15	CESTAT,Hyderabad
Finance Act,1994	Service Tax	1,883.80	2015-16 TO 2017-18	
Income Tax Act, 1961	Income Tax & Interest thereon	94.36	AY 2018-19	National Faceless Appeal Centre, Income Tax Department, Delhi.
Excise Duty Act,1944	Interest	5,306.33	2015-16 TO 2017-18	CESTAT,Hyderabad
TOTAL		**30,950.03**		

8. In our opinion and according to the explanations given to us, no such 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).

9. (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.

G.NATESAN & CO. Chartered Accountants FRN:002424S 7/1 Fourth St. Thiruvanmiyur, Chennai -18.

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(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 otherlender.

(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 utilised for long term purposes;

(e) the company does not have subsidiaries, associates or joint ventures;

(f) the company does not have subsidiaries, joint ventures or associate companies;

10. (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

11. (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

12. (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. Accordingly, paragraph 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.

13. 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

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G.NATESAN & CO. FRN:002424S 71, Fourth St Ashokapuram, Chennai -18. Chartered Accountants

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.

14. (a) The company has an internal audit system commensurate with the size and nature of itsbusiness.

    (b) The reports of the Internal Auditors for the period under audit up to the period ended December 2021 were considered by the statutory auditor;

15. 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.

16. (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.

17. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18. No, there has been no resignation of the statutory auditor during the year.

19. In our opinion, and according to the explanation given to us, and on the basis of the financial ratios, ageing and expected dates of realisation 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.

20. (a) In our opinion and according to the explanation given to us, the company does not have any unspent CSR amount at the end of the year. Hence no amount is transferred

to Fund specified under schedule VII.
(b) The company does not have any unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project.

21. The company does not have subsidiaries, associates or joint ventures and hence the requirement of consolidated financial statements does not arise.

Place: Hyderabad
Date: 11.07.2022

For G.Natesan and Co
Chartered Accountants
FRN 002424S

K.P. Ranganathan

CA K P Ranganathan
Partner
M.No : 239498
UDIN : 22239498AMTYIT7079

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G. NATESAN & Co.,
Chartered Accountants

Head Office :
No. 7/1, Fourth Street,
Abiramapuram,
Chennai - 600 018.

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, 2022 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

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included obtaining an understanding of Internal Financial Controls with reference to Financial 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.

Opinion

In our opinion and to the best of our information and explanations given to us, the Company has, in all material respects, an 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, 2022, based on "Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential

G. NATESAN & CO. Chartered Accountants FRN:002142S 7/1, Fourth St. Thiruvanmiyur, Chennai -18.

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components of internal control stated in Guidance Note on Audit of Internal Financial Controls with reference to Financial Statements issued by the Institute of Chartered Accountants of India".

Place: Hyderabad
Date: 11.07.2022

For G.Natesan and Co
Chartered Accountants
FRN 002424S

K.P.Ran L.

CA K P Ranganathan
Partner
M.No : 239498
UDIN : 22239498AMTYIT7079

G. NATESAN & Co.,
Chartered Accountants

Head Office :
No. 7/1, Fourth Street,
Abiramapuram,
Chennai - 600 018.

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 31.03.2022, 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

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Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on the examination of the books of accounts and records of the Company, we are of the opinion that the fund received from Government Agencies for specific schemes have been utilized as per its terms and conditions.	Nil

Place: Hyderabad
Date: 11.07.2022

G.NATESAN & CO. FRN:002424S 7/1,Fourth St Ashramapuram, Chennai -18. Chartered Accountants

For G.Natesan and Co
Chartered Accountants
FRN 002424S

K.P.Ranganathan

CA K P Ranganathan
Partner
M.No : 239498
UDIN : 22239498AMTYIT7079

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लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

स्पीड पोस्टद्वारा
गोपनीय

सं./No. नि./बी.डी.एल.लेखा2021-22/ 2022-23/151

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 2022

सेवा मे,
कमोडोर सिद्धार्थ मिश्रा (सेवानिवृत्त),
अध्यक्ष & प्रबंध निदेशक,मेसर्स भारत डायनामिक्स लिमिटेड,
कॉर्पोरेट ऑफिस,प्लॉट सं. 38-39, टीएसएफसी बिल्डिंग,
फाइनैंसियल डिस्ट्रिक्ट,नानक्रमगुडा, हैदराबाद - 500032.
महोदय,

विषयः कम्पनी अधिनियम 2013की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं 31 मार्च 2022 को समाप्त वर्ष के मेसर्स- भारत डायनामिक्स लिमिटेड, हैदराबाद के लेखाओ पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरिक्षक का "शून्य टिप्पणी प्रमाण पत्र" अग्रेषित करता हूँ।

कृपया सुनिश्चित करे कि टिप्पणिया

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 बैठक में रखा जाये।

भवदीय,

(अरुण कुमार वी.एम.)
निदेशक (रिपोर्ट्स)

संलग्नः 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 Basavesware Road, Bengaluru - 560 001.

दू.भा./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491

सोकहितार्थ सत्यनिष्ठा
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सं./No. Insp/BDL Accs 2021-22/2022-23/151

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. 25.07.2022

To
Cmde Siddharth Mishra (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 2022.

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 2022.

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,

(Arun Kumar V.M.)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर – 560 001.
1st Floor, Basava Bhavan, Sri Basavesware Road, Bengaluru - 560 001.

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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 2022.

The preparation of Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2022 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 them vide their Revised Audit Report dated 11 July 2022 which supersedes their earlier Audit Report dated 26 May 2022.

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 2022 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 auditors' report under section 143(6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

25/7/22

(Santosh Kumar)
Principal Director of Commercial Audit

Place: Bengaluru
Date: 25th July 2022

Ind AS
Financial Statements - 31 March 2022

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) (CIN : L24292TG1970GOI1001353) 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

BALANCE SHEET AS AT 31 MARCH 2022

(₹ in Lakh)

PARTICULARS	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	70,426.44	74,273.11
(b) Capital Work-in-Progress	2	4,073.18	2,149.86
(c) Investment Property	3	0.97	0.97
(d) Right of use assets	4	5,682.32	3,975.04
(e) Intangible Assets	5	11,274.90	13,249.79
(f) Financial Assets			
(i) Investments	6	-	452.26
(ii) Loans	7	203.69	251.96
(iii) Other Financial Assets	8	4,085.76	4,404.11
(g) Deferred Tax Assets (net)	29A	5,710.71	4,773.25
(h) Other Non-current Assets	9	2,606.53	2,745.55
Total Non - Current Assets		**104,064.50**	**106,275.90**
(2) Current Assets			
(a) Inventories	10	165,445.13	139,701.00
(b) Financial Assets			
(i) Trade Receivables	11	30,416.13	32,269.27
(ii) Cash and Cash Equivalents	12	26,504.37	45,691.67
(iii) Bank balances other than (ii) above	13	163,449.00	110,403.80
(iv) Loans	14	183.74	196.87
(v) Other Financial Assets	15	129,162.31	121,594.31
(c) Current tax Assets	29B	2,912.05	4,223.26
(d) Other Current Assets	16	34,250.79	35,819.53
Total Current Assets		**552,323.52**	**489,899.71**
Total Assets		**656,388.02**	**596,175.61**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	18,328.12	18,328.12
(b) Other Equity	18	284,727.62	250,146.60
Total Equity		**303,055.74**	**268,474.72**
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	520.75	652.71
(ii) Other Financial Liabilities	20	4,106.16	4,325.39
(b) Provisions	21	4,465.64	2,906.82
(c) Other Non-current Liabilities	22	86,133.95	67,718.87
Total Non-current Liabilities		**95,226.50**	**75,603.79**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	-	-
(ii) Lease Liabilities	24		
(iii) Trade Payables		131.96	118.48
(A) total outstanding dues of micro enterprises and small enterprises;	25	3,996.37	2,937.69
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	25	51,250.61	71,322.42
(iv) Other Financial Liabilities	26	16,436.59	14,417.85
(b) Other Current Liabilities	27	155,359.65	140,302.58
(c) Provisions	28	30,930.60	22,998.08
(d) Current tax Liabilities, net	29B	-	-
Total Current Liabilities		**258,105.78**	**252,097.10**
Total Liabilities		**353,332.28**	**327,700.89**
Total Equity and Liabilities		**656,388.02**	**596,175.61**

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. 002424S

K P RANGANATHAN
Partner
(M.No. 0239498)
UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

N NAGARAJA
Company Secretary
(M.No.A19015)

Statement of Profit and Loss for the Year ended 31 March 2022

(₹ in Lakh)

	PARTICULARS	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	INCOME			
I	Revenue from Operations	30	281,740.28	191,375.95
II	Other Income	31	11,121.04	9,461.36
III	**Total Income (I + II)**		**292,861.32**	**200,837.31**
IV	**EXPENSES**			
	Cost of materials consumed	32	126,336.55	97,008.31
	Changes in inventories of finished goods and work-in-progress	33	(8,435.58)	(12,890.75)
	Employee benefits expense	34	57,066.27	50,108.86
	Finance costs	35	342.43	391.28
	Depreciation and amortisation expense	36	9,035.47	9,453.84
	Other expenses	37	34,166.36	22,677.66
	Total expenses (IV)		**218,511.50**	**166,749.20**
V	Profit/ (Loss) before exceptional items and tax (III-IV)		74,349.82	34,088.11
VI	Exceptional Items			
	Impairment Loss	38(1)	(3,358.57)	-
VII	**Profit before tax (V + VI)**		**70,991.25**	**34,088.11**
VIII	**Tax expense**			
	(1) Current tax	29C	21,653.56	7,204.37
	(2) Deferred tax	29C	(654.75)	1,107.22
	Total Tax expense		**20,998.81**	**8,311.59**
IX	**Profit/ (Loss) for the year (VII - VIII)**		**49,992.44**	**25,776.52**
X	**Other comprehensive income**			
	A Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurement of the defined benefit plans	38(3)	(1,123.26)	(1,809.83)
	(b) Income tax relating to items that will not be reclassified to profit or loss	29C	282.70	455.50
	Total other comprehensive income		**(840.56)**	**(1,354.33)**
XI	**Total comprehensive income for the year (IX + X)**		**49,151.88**	**24,422.19**
XII	**Earnings per equity share**			
	Basic and diluted EPS (in Rupees)	38(2)	27.28	14.06

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. 002424S

RANGANATHAN K P
Partner
(M.No. 239498)
UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

N NAGARAJA
Company Secretary
(M.No.A19015)

Statement of changes in equity for the year ended 31 March 2022

A. Equity Share Capital

(₹ in Lakh)

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

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
18328.12	-	18328.12	-	18328.12

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				
	General Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	Total
Balance as at April 1, 2021	248,135.54	-	7,243.10	(5,232.04)	**250,146.60**
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)
Addition towards buy back during the period	-	-	-	-	-
Buyback Premium Written off	-	-	-	-	-
Depreciation Adjustment	-	-	-	-	-
Issue of Bonus shares	-	-	-	-	-
Interim Dividend	-	-	(13,379.53)	-	(13,379.53)
Balance as at March 31, 2022	**288,135.54**	**-**	**2,664.68**	**(6,072.60)**	**284,727.62**

Particulars	Reserves and Surplus				
	General Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	Total
Balance as at April 1, 2020	223,135.54	-	23,097.02	(3,877.71)	**242,354.85**
Profit for the year	-	-	25,776.52	-	25,776.52
Other comprehensive income for the year (net of tax)	-	-	-	(1,354.33)	(1,354.33)
Final dividend	-	-	(4,673.67)	-	(4,673.67)
Transfer to Capital Redemption Reserve	-	-	-	-	-
Transfer from Statement of Profit and Loss	25,000.00	-	-	-	25,000.00
Transfer to General Reserve	-	-	(25,000.00)	-	(25,000.00)
Addition towards buy back during the period	-	-	-	-	-
Buyback Premium Written off	-	-	-	-	-
Depreciation Adjustment	-	-	-	-	-
CSR Provision Adjustment	-	-	323.07	-	323.07
Issue of Bonus shares					
Interim Dividend	-	-	(12,279.84)	-	(12,279.84)
Balance as at March 31, 2021	**248,135.54**	**-**	**7,243.10**	**(5,232.04)**	**250,146.60**

As per our report of even date.
For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 002424S

RANGANATHAN K P
Partner
(M.No. 239498)
UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

N NAGARAJA
Company Secretary
(M.No.A19015)

Cash flow statement for the year ended 31 March 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before exceptional items and tax		74,349.82		34,088.11
Adjustments for :				
Depreciation and amortisation expense	9,035.47		9,453.84	
Finance costs	342.43		391.28	
Interest income	(6,375.16)		(5,628.86)	
Profit / Loss on Sale of Property Plant and Equipment	0.90		(10.29)	
Deferred revenue on customer provided Assets	(2,654.32)		(1,344.62)	
Provisions for expenses	10,484.95		1,095.00	
Liabilities / provisions no longer required written back	(2,365.08)		(821.25)	
Fair value adjustment to investment carried at fair value through profit and loss	317.58		(200.62)	
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-		-	
Operating profit before working capital changes		**83,136.59**		**37,022.59**
Changes in working capital:				
Adjustments for (increase) / decrease in operating Assets:				
Trade receivables	1,853.13		1,567.53	
Loans	61.40		88.48	
Other Financial Assets	(6,965.39)		120,639.70	
Inventories	(26,141.20)		(54,408.86)	
Other Assets	1,568.74		(10,684.08)	
Adjustments for increase / (decrease) in operating Liabilities:				
Trade payables	(19,013.13)		39,711.58	
Other Financial Liabilities	2,689.95		(2,253.13)	
Other Liabilities	36,404.12		(8,803.83)	
Provisions	(285.96)		(8,296.44)	
Cash generated from operations		**73,308.25**		**114,583.54**
Net income tax paid		(20,342.35)		(7,782.24)
Net cash flow before exceptional items		52,965.90		106,801.30
Exceptional items		-		-
Net cash from/ used in operating activities (A)		**52,965.90**		**106,801.30**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property Plant & Equipment and Intangible Assets	(10,204.42)		(5,660.91)	
Bank Deposits	(53,045.20)		(73,803.80)	
Proceeds from sale of Property Plant & Equipment and Intangible Assets	0.45		11.21	
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-		-	
Interest received	5,947.93		6,075.10	
Net cash from/ used in investing activities (B)		**(57,301.25)**		**(73,378.39)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	-		-	
Finance costs	(203.41)		(252.26)	
Repayment of lease liabilities	(118.48)		(106.10)	
Buyback of shares	-		-	
Dividends paid	(14,530.06)		(16,905.72)	
Net cash from/ used in financing activities (C)		**(14,851.95)**		**(17,264.08)**
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)		**(19,187.30)**		**16,158.83**
Cash and Cash equivalents at the beginning of the year		**45,691.67**		**29,532.84**
Cash and Cash equivalents at the end of the year (Refer Note (i) below)		**26,504.37**		**45,691.67**
Note (i):				
Cash and Cash equivalents Comprises:				
in current accounts		3,055.17		398.66
in deposit accounts		23,448.78		45,290.93
Cash on hand		0.42		2.08
Bank overdraft		-		-
		26,504.37		**45,691.67**

As per our report of even date.
For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 002424S

K P RANGANATHAN
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UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

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Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

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 seperately.

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 assets financed by customers are recognized initially at fair value. The corresponding revenue is recognized in proportion to depreciation over the life 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 counter party.

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:

- It is technically feasible to complete the software so that it will be available for use
- 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	UsefulLife/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.

As per our report of even date.
For G Natesan & Co.,
Chartered Accountants
Firm's Registration No. 002424S

RANGANATHAN K P
Partner
(M.No. 239498)
UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

N NAGARAJA
Company Secretary
(M.No.A19015)

NOTES
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Property, Plant and Euipment

(₹ in Lakh)

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	**106,953.69**	**3,131.55**	**(97.74)**	**109,987.50**	**32,680.58**	**6,763.26**	**(23.52)**	**140.74**	**39,561.06**	**70,426.44**

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2020	Additions during the year	Deductions / adjustments during the year	As at March 31, 2021	Accumulated depreciation/ amortisation as at April 1, 2020	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2021	As at March 31, 2021
Freehold Land	8,772.47	28.19	-	**8,800.66**	-	-	-	-	-	**8,800.66**
Buildings	31,395.85	684.82	-	**32,080.67**	4,363.03	1,384.62	-	-	**5,747.65**	**26,333.02**
Fencing and Compound Walls	1,295.81	15.73	-	**1,311.54**	1,114.17	43.97	-	-	**1,158.14**	**153.40**
Roads and Drains	1,666.19	12.64	-	**1,678.33**	598.50	168.20	-	-	**766.70**	**912.13**
Water Supply Installations	184.20	3.64	-	**187.84**	27.56	7.99	-	-	**35.55**	**152.29**
Plant, Machinery and Equipment	47,928.84	4,399.79	(70.09)	**52,258.54**	13,815.38	3,830.23	(1.34)	-	**17,644.27**	**34,614.27**
Furniture and Equipment	3,814.14	763.71	(0.72)	**4,577.13**	2,254.25	615.21	(0.71)	-	**2,868.75**	**1,708.38**
Transport Vehicles	662.01	23.00	-	**685.01**	361.80	73.81	-	-	**435.61**	**249.40**
Special Tools &Equipment	5,362.30	11.17	-	**5,373.47**	3,241.96	781.95	-	-	**4,023.91**	**1,349.56**
Total	**101,081.81**	**5,942.69**	**(70.81)**	**106,953.69**	**25,776.65**	**6,905.98**	**(2.05)**	**-**	**32,680.58**	**74,273.11**

Notes:

Freehold Land:

(a) Freehold Land includes

(i) 2 Acres and 08 Guntas (March 31,2021: 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 31,2021: 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 31,2021 ₹ 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 31,2021: 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 2021 : ₹ 21.66 Lakh) paid by the company is capitalised.

(c) Title for freehold land of 10 Acres 13 Guntas at Visakhapatnam was registered in the name of the company during the financial year 2021-22.

(d) Free hold land of 632 Acres 16.50 Guntas (as at March 31,2021: 632 Acres 16.50 Guntas) at Ibrahimpatnam, Rangareddy District is taken possession on agreement of sale by paying ₹ 6136.90 Lakh (as at March 31,2021: ₹ 6136.90 lakh) based on tentative fixation of price is capitalised.

Buildings :

(a) Buildings include ₹ 111.01 Lakh as at March 31, 2022 (March 31, 2021 : ₹ 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

Note 2: Capital Work-in-Progress (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Civil	2,625.56	1,390.48
Plant & Machinery	1,050.44	740.70
Others	397.18	18.68
Total	**4,073.18**	**2,149.86**

Notes:

(i) Refer Note 38(6) for capital commitments and
Note 38(21) E: Aging 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, 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**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2020	Additions during the year	Deductions / adjustments during the year	As at March 31, 2021	Accumulated depreciation/ amortisation as at April 1, 2020	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2021	As at March 31, 2021
Land (held for rentals)	0.97	-	-	**0.97**	-	-	-	-	-	**0.97**

(i) Amounts recognised in Profit or Loss for Investment Properties

Particulars	March 31, 2022	March 31, 2021
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, 2022 and March 31, 2021.

(iv) Fair value

Particulars	March 31, 2022	March 31, 2021
Investment properties	2967.16	1459.26

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 ÿ0.12 lakh (₹0.06 lakh ast 31st March 2021) 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

(₹ in Lakh)

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**	223.30	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**	**-**	**3,217.83**	**3,916.34**	**5,682.32**

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2020	Additions during the year	Deductions / adjustments during the year	As at March 31, 2021	Accumulated depreciation/ amortisation as at April 1, 2020	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2021	As at March 31, 2021
Leasehold Land	3,477.17	-	-	**3,477.17**	185.25	37.05	-	-	**222.30**	**3,254.87**
Leasehold Building	998.91	-	-	**998.91**	139.37	139.37	-	-	**278.74**	**720.17**
Total	**4,476.08**	**-**	**-**	**4,476.08**	**324.62**	**176.42**	**-**	**-**	**501.04**	**3,975.04**

Leasehold Land :

(a) Land measuring 3 acres 25 guntas (March 31, 2021: 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 31,2021: 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.

(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. As of 31st March 2022, the company has appointed a consultant for finalization of the plant layout and designs.

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, 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**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION					NET CARRYING AMOUNT
	As at April 1, 2020	Additions during the year	Deductions / adjustments during the year	As at March 31, 2021	Accumulated depreciation/ amortisation as at April 1, 2020	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2021	As at March 31, 2021
Development Expenditure	3,324.10	-	-	**3,324.10**	3,232.73	-	-	-	**3,232.73**	**91.37**
Computer Software	2,156.64	26.14	-	**2,182.78**	1,874.69	211.13	-	-	**2,085.82**	**96.96**
License Fee	18,097.46	1,817.23	-	**19,914.69**	4,691.58	2,161.65	-	-	**6,853.23**	**13,061.46**
Total	**23,578.20**	**1,843.37**	**-**	**25,421.57**	**9,799.00**	**2,372.78**	**-**	**-**	**12,171.78**	**13,249.79**

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, 2022	As at March 31, 2021
6	**Non-current Investments**		
	Investment carried at fair value through profit and loss (Unquoted)	-	452.26
	9,21,920 (as at March 31,2021 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		
		-	**452.26**
- 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	203.69	251.96
		203.69	**251.96**
	Refer note 38(15): Fair value measurement.		
8	**Other Non-current Financial Assets**		
	Claims/Refunds receivable	93.00	198.18
	Deferred Debts	3,992.76	4,205.93
		4,085.76	**4,404.11**
	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, 2022		As at March 31, 2021	
9	**Other Non-current Assets**				
	Capital advances		660.30		660.30
	Deferred expense*		1,946.23		2,085.25
			2,606.53		**2,745.55**
	* Refer the significant judgement on Deferred Debts in Note No. 8				
10	**INVENTORIES ***				
	Raw Materials and Components	119,032.58		101,909.27	
	Less: Provision	(5,541.28)		(5,237.05)	
	GIT of Raw Materials and Components	274.02		160.84	
			113,765.32		**96,833.06**
	Work-in-progress#	46,766.10		40,589.45	
	Less: Provision	(462.71)		(353.13)	
			46,303.39		**40,236.32**
	Finished Goods	2,904.80		645.87	
	Less: Provision	(49.54)		(127.66)	
	GIT of Finished Goods	288.94		-	
			3,144.20		**518.21**
	Stores and Spare Parts	2,023.41		1,829.58	
	Less:Provision	(246.61)		(233.98)	
	GIT of Stores and Spare Parts	20.09		-	
			1,796.89		**1,595.60**
	Loose Tools	994.16		1,053.63	
	Less:Provision	(559.03)		(536.02)	
	GIT of Loose Tools	-		-	
			435.13		**517.61**
	Construction Materials		-		-
	Stores & Equipment - Welfare	310.79		308.56	
	Less: Amortisation	(310.79)		(308.56)	
			-		-
	Miscellaneous Stores		**0.20**		**0.20**
			165,445.13		**139,701.00**
	# Includes Inventory with Customers		9.20		9.20
	* Include Material issued to Sub-contractors/Others		16,361.62		14,460.90
	- Out of ₹ 16,361.62 lakh (as at March 31,2021 ₹ 14460.90 lakh), material lying with sub contractors ₹ 4196.94 Lakh (as at March 31,2021 ₹ 5633.25 Lakh) were confirmed / physically verified by the vendors. Differences on confirmation / physical verification of material lying with subcontractors of ₹ 497.98 (₹ 137.13 Lakh as at March 31,2021) 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.				
11	**Trade Receivables**				
	Secured		-		-
	Unsecured, considered good		30,416.13		32,269.27
	Doubtful		-		-
	Less: Allowance for doubtful debts (expected credit loss allowance)		-		-
			30,416.13		**32,269.27**
	Refer Note: 38(15): Fair value measurement; 38(12) Charges registered.				
	Refer Note: 38(20)(F): Movement of Trade Receivables				

Aging 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	26306.78	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	**26306.78**	**1,052.86**	**2,246.39**	**501.66**	**308.44**	**30,416.13**

Aging schedule for Trade Receivables as at March 31, 2021						
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	25,215.42	2,305.35	3,740.71	532.99	474.80	32,269.27
(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	**25,215.42**	**2,305.35**	**3,740.71**	**532.99**	**474.80**	**32,269.27**

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
12	**Cash and Cash Equivalents**		
	Balances with Banks		
	- in current accounts	3,055.17	398.66
	- in deposit accounts (Up to 3 months)	23,448.78	45,290.93
	Cash on hand*	0.42	2.08
	Remittances in transit	-	-
		26,504.37	**45,691.67**
	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.		

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
13	**Other Bank balances**		
	Bank deposits other than margin money	163,449.00	110,403.80
	(Maturity period more than 3 months but less than 12 months)		
		163,449.00	**110,403.80**
	- 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, 2022 (Nil as at March 31, 2021).		
	- There are no bank deposits with maturity beyond 12 months.		
	Reconciliation of Cash and Bank balances:		
	Cash and Cash Equivalents (as per the above)	26,504.37	45,691.67
	Bank Balance (as per the above)	163,449.00	110,403.80
	Total Cash and Bank balances	**189,953.37**	**156,095.47**
14	**Current Loans**		
	Loans to Employees		
	- Secured, considered good	-	-
	- Unsecured, considered good	183.74	196.87
	Total Current Loans	**183.74**	**196.87**
	Also refer note 38(15): Fair value measurement.		
15	**Other Current Financial Assets**		
	Claims/Refunds receivable	7,384.87	3,969.40
	Less: Provision for doubtful claims (Refer Note below)	(21.47)	(21.47)
	Deferred Debts*	347.85	347.85
	Unbilled Revenue#	119,119.48	115,251.21
	Interest accrued on Deposits	2,317.85	2,022.42
	Interest accrued - Others	13.45	24.62
	Other Assets held for sale	0.28	0.28
	Total Other Current Financial Assets	**129,162.31**	**121,594.31**
	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		
	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 Lakh 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	389.95	1,361.76
	- Unsecured, considered good	29,427.63	28,381.59
	- Unsecured, considered doubtful	1.71	1.71
	Less: Provision for doubtful advances	(1.71)	(1.71)
	Prepaid expenses	369.60	255.28
	Deposits	3,817.79	5,621.63
	Deferred Expense*	139.02	139.02
	Earmarked balances with banks for unpaid dividend	101.05	60.25
	CSR Expenditure available for setoff #	5.75	
	Total Current Assets	**34,250.79**	**35,819.53**
	Refer note 38(7): Details of short closed projects.		
	* Refer the significant judgement on Deferred Debts in Note No. 8		
	# Refer note 28 for Movement in CSR provision		

Note 17: Equity Share Capital:

(₹ in Lakh)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
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, 2020	183,281,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2021	183,281,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2022	**183,281,250**	**18,328.12**

(B) Details of shares held by each shareholder holding more than 5% shares

S.No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
	Fully paid equity shares				
1)	Government of India	137,325,527	74.93%	137,325,527	74.93%
2)	Life Insurance Corporation of India	11,455,734	6.25%	18,744,839	10.23%
3)	HDFC Trustee Company Limited	14,189,604	7.74%	10,916,175	5.96%

(C) Details of the buyback for the last 5 years immediately preceding the Current year

Particulars	March 31 2022	March 31 2021	March 31 2020	March 31 2019	March 31, 2018	March 31, 2017
Number of shares bought back (nos.)	-	-	-	-	30,546,875	-
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.

(D) Details of the Bonus shares issued for the last 5 years immediately preceding the current year .

Particulars	March 31 2022	March 31 2021	March 31 2020	March 31 2019	March 31, 2018	March 31, 2017
No. of Bonus Shares issued (nos.)	-	-	-	-	91,640,625	244,375
Value of Bonus Shares issued (₹ in lakh)	-	-	-	-	9,164.06	2,443.75

(E) Details of shareholding of Promoters

S No	Shares held by promoters	As at March 31, 2022		% change during 2021-22	As at March 31, 2021		% change during 2020-21
	Promoter name	No. of Shares	% of toal shares		No. of Shares	% of toal shares	
	Fully paid equity shares						
1	Government of India	137,325,527	74.93%	-	137,325,527	74.93%	-12.82%

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
18	**Other Equity**		
	General Reserve	288,135.54	248,135.54
	Capital redemption Reserve	-	-
	Retained Earnings	2,664.68	7,243.10
	Other Comprehensive Income - Remeasurement of the defined benefit plans	(6,072.60)	(5,232.04)
	Balance at end of year	**284,727.62**	**250,146.60**
	A. General Reserve		
	Balance at beginning of year	248,135.54	223,135.54
	Transfer to Capital Redemption Reserve	-	-
	Buyback Premium Written off	-	-
	Transfer from Statement of Profit and Loss	40,000.00	25,000.00
	Bonus shares issued	-	-
	Balance at end of year	**288,135.54**	**248,135.54**
	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. Capital Redemption Reserve		
	Balance at beginning of year	-	-
	Transfer from General reserve	-	-
	Utilised against issue of bonus shares	-	-
	Balance at end of year	-	-
	Reduction in nominal value of share capital on account of buy-back of shares is recorded as capital redemption reserve.		
	C. Retained Earnings		
	Balance at beginning of year	7,243.10	23,097.02
	Profit for the year	49,992.44	25,776.52
	Final dividend	(1,191.33)	(4,673.67)
	Interim Dividend	(13,379.53)	(12,279.84)
	Transfer to General Reserve	(40,000.00)	(25,000.00)
	CSR Provision Adjustment	-	323.07
	Balance at end of year	**2,664.68**	**7,243.10**
	D. Other Comprehensive Income - Remeasurement of the defined benefit plans		
	Balance at beginning of year	(5,232.04)	(3,877.71)
	Other comprehensive income (net of tax)	(840.56)	(1,354.33)
	Balance at end of year	**(6,072.60)**	**(5,232.04)**
19	**Non- Current Lease Liabilities**		
	Lease Liabilities	520.75	652.71
		520.75	**652.71**
20	**Other Non - Current Financial Liabilities**		
	Deferred Credit	1,674.19	1,731.28
	Embedded derivative liability (Deferred liability)	2,431.97	2,594.11
		4,106.16	**4,325.39**
	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	34.16	31.54
	Employee benefits		
	Accrued Leave	-	-
	Gratuity	-	-
	Provident Fund	4,431.48	2,875.28
		4,465.64	**2,906.82**
	Refer note 38(3) : Employee Benefit Obligations		

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
22	**Other Non - Current Liabilities**		
	Advances from Customers-$		
	Ministry of Defence (MoD)	63,462.98	12,276.37
	Others	9,857.22	43,892.72
	Deferred Income*	2,001.51	2,144.48
	Deferred Revenue #	10,812.24	9,405.30
		86,133.95	**67,718.87**
	* Refer the significant judgement on Deferred Credit in note No.20 # Refer note 38 (19) : Grant for solar plant $ Refer note 38(20)(C) : Movement of Contract Assets and Liabilities Also Refer Accounting Policy no.3 A (vi) and 4.4		
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	131.96	118.48
		131.96	**118.48**
25	**Trade Payables**		
	Trade Payables - Current:		
	Dues to micro enterprises and small enterprises	3,996.37	2,937.69
	Dues to creditors other than micro, small and medium enterprises	51,250.61	71,322.42
		55,246.98	**74,260.11**
	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	3,958.95	2,895.16
	- Interest	37.42	42.53
	(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	42.53
	(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.		

Aging 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**

Aging schedule for Trade Payables as at March 31, 2021

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	2,188.26	241.86	280.23	227.34	2,937.69
(ii) Others	54,030.08	9,479.78	2,540.69	5,271.87	71,322.42
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total Trade Payables	**56,218.34**	**9,721.64**	**2,820.92**	**5,499.21**	**74,260.11**

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
26	**Other Current Financial Liabilities**		
	Current maturities of Deferred credit*	357.73	357.73
	Deposits	1,413.42	1,810.04
	Creditors for expenses	6,828.34	4,245.51
	Employee benefits payable	6,388.29	6,603.49
	Capital works	1,146.22	946.57
	Others	302.59	454.51
		16,436.59	**14,417.85**
	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)	82,761.24	95,671.28
	- Others	60,115.76	37,575.06
	Deferred Income*	142.97	142.97
	Deferred Revenue	1,456.66	1,993.93
	Statutory remittances	10,883.02	4,919.34
		155,359.65	**140,302.58**
	Refer note 38(7): Details of short closed projects. # Refer note 38(20)(C): Movement of Contract Assets and Liabilities * Refer the significant judgement on deferred credit in note No. 20		
28	**Current Provisions**		
	Employee benefits		
	- Gratuity	-	-
	- Accrued leave	-	-
	- Provident Fund	967.97	122.86
	Warranty	10,061.84	7,322.28
	Onerous contract	785.03	789.64
	CSR & Sustainable development	-	637.06
	Future charges	1,870.84	4,270.63
	Others	17,244.92	9,855.61
		30,930.60	**22,998.08**

Movement in provisions

Provisions	Warranty	Onerous Contract	CSR & Sustainable Development	Future Charges	Others
Balance as at March 31, 2021	**7,322.28**	**789.64**	**637.06**	**4,270.63**	**9,855.61**
Additional provisions recognised	4,485.77	-	1,169.80	-	7,449.56
Utilisation during the year	(49.47)	-	(1,812.61)	(929.76)	-
Reversals during the year	(1,696.74)	(4.61)	-	(1,470.03)	(60.25)
Balance as at March 31, 2022	**10,061.84**	**785.03**	**(5.75)**	**1,870.84**	**17,244.92**

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.

CSR & Sustainable development:

CSR & Sustainable development expenses are recognised based on the expenditure to be incurred as per the provisions of Companies Act, 2013. Opening Provision indicated above pertains to the provision created during 2011-12 to 2013-14 as per DPE guidelines, which is also spent during the year. Balance as at 31st March, 2022 amounting to ₹ (5.75) Lakhs represents excess amount spent that is available for set off in succeeding financial years. Also refer note 16: Other Current Assets

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.

Other Provisions:

Additional provision recognised during the year includes an amount of ₹ 6554.26 Lakhs (Nil during 2020-21) towards expected refund of Liquidated damages to its vendors in respect of one of its projects

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
29	**Income Taxes**		
29A	**Deferred Tax Balance**		
	Deferred Tax Assets	10,747.46	10,387.11
	Deferred Tax Liabilities	5,036.75	5,613.86
	Total	**5,710.71**	**4,773.25**
	Breakup of Deferred Tax balances		
	Deferred Tax Assets		
	Freehold Land	-	1,914.72
	Lease Liability	164.27	194.09
	Provisions	10,270.49	7,964.48
	Fair value adjustment to Deferred credit	312.70	313.82
	Sub-Total	**10,747.46**	**10,387.11**
	Deferred Tax Liabilities		
	Property plant and Equipment	3,108.28	3,537.56
	Right of use assets	146.17	181.25
	Intangible Assets	1,478.23	1,522.12
	Fair value of investments		
	- Equity Shares in unlisted Company	-	67.77
	- Mutual Funds	-	-
	Fair value adjustment to Deferred debts	304.07	305.16
	Others	-	-
	Sub-Total	**5,036.75**	**5,613.86**
	Net Deferred Tax Asset/(Liability)	**5,710.71**	**4,773.25**

Reconciliation of Deferred Tax Balances:
For 2021-22

(₹ in Lakh)

	PARTICULARS	Opening Balance	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**

Reconciliation of Deferred Tax Balances:
For 2020-21

(₹ in Lakh)

	PARTICULARS	Opening Balance	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
	Deferred Tax Assets pertaining to :				
	Freehold Land	1,757.18	157.54		1,914.72
	Lease Liability	220.80	(26.71)		194.09
	Provisions	8,435.35	(926.37)	455.50	7,964.48
	Fair value adjustment to Deferred credit	313.89	(0.07)		313.82
	Sub total	**10,727.22**	**(795.61)**	**455.50**	**10,387.11**
	Deferred Tax Liabilities pertaining to :				
	Property plant and Equipment	3,279.70	257.86	-	3,537.56
	Right of use asset	56.52	124.73	-	181.25
	Intangible Assets	1,582.34	(60.22)	-	1,522.12
	Fair value of investments				
	- Equity Shares in unlisted Company	78.47	(10.70)		67.77
	- Mutual Funds	-	-		-
	Fair value adjustment to Deferred debts	305.22	(0.06)	-	305.16
	Others	-		-	-
	Sub total	**5,302.25**	**311.61**	**-**	**5,613.86**
	Total	**5,424.97**	**(1,107.22)**	**455.50**	**4,773.25**

(₹ in Lakh)

	PARTICULARS	As at March 31, 2022	As at March 31, 2021
29B	**Current Tax Assets and Liabilities**		
	Current Tax Assets	2,912.05	4,223.26
	Total Current Tax Assets	**2,912.05**	**4,223.26**
	Current Tax Liabilities	-	-
	Total Current Tax Liabilities	**-**	**-**
29C	**Tax Expense**		
	i) Recognised in the Statement of Profit and Loss		
	Current Tax		
	In respect of the current year	21,498.84	7,788.37
	In respect of prior years	154.72	(584.00)
	Total	**21,653.56**	**7,204.37**
	Deferred Tax		
	In respect of the current year	(654.75)	1,107.22
	Total	**(654.75)**	**1,107.22**
	ii) Recognised in Other comprehensive income		
	Tax Expense		
	In respect of the current year	282.70	455.50
	Total	**282.70**	**455.50**

The Income Tax expense for the year can be reconciled to the accounting profit as follows (₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
	Profit before tax from continuing operations	**70,991.25**	**34,088.11**
	Tax expense of amounts which are not deductible (taxable) in calculating taxable income		
	Income tax expense calculated at 25.168% (FY 2020-21 : 25.168%)	17,867.08	8,579.29
	Donations made during the year	0.22	0.13
	Amount towards CSR activities	294.42	367.06
	Interest due to MSME's	-	1.37
	Impairment Loss	845.28	
	Others	2,000.20	(1,159.48)
	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	(937.46)	651.72
	Adjustment for current tax of previous years		
	Adjustments recognised in the current year in relation to the earlier year AY 2018-19	-	(98.58)
	Adjustments recognised in the current year in relation to the earlier year AY 2019-20	-	(437.31)
	Adjustments recognised in the current year in relation to the earlier year AY 2020-21	-	(48.11)
	Adjustments recognised in the current year in relation to the earlier year AY 2021-22	154.72	-
	Income tax relating to items that will not be reclassified to profit/loss	282.70	455.50
	Income tax expense recognised in profit or loss	**20,998.81**	**8,311.59**
	Income tax recognised in Other comprehensive income	282.70	455.50
	Income tax recognised in Other comprehensive income	**282.70**	**455.50**

	PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
30	**Revenue from Operations**		
	Sale of products		
	Finished Goods	229,809.12	156,188.18
	Spares	18,015.01	11,511.42
	Miscellaneous	2,244.27	1,237.55
	LD refunded / (levied) by Customers #	9,598.53	(3,585.74)
		259,666.93	**165,351.41**
	Sale of services*		
	Repairs and Overhauls	3,407.14	7,154.92
	Training	-	-
	Job Works	8,328.17	8,075.59
	Miscellaneous	-	293.56
	LD refunded / (levied) by Customers	(176.05)	(128.69)
		11,559.26	**15,395.38**
	Other operating revenue		
	Construction Contracts	-	-
	Sale of Scrap	73.18	29.11
	Deferred revenue on customer provided assets	2,654.32	1,344.62
	Solar Power	772.60	1,327.51
	Provisions no longer required, written back	1,474.64	722.62
	Other Claims	5,754.19	7,205.30
	LD refunded / (levied) by Customers	(214.84)	-
		10,514.09	**10,629.16**
	Total	**281,740.28**	**191,375.95**

- 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

Include LD levied on sale of products ₹ 3,723.71 Lakh (₹ 3,585.74 Lakh during the year 2020-21) adjusted against LD refund received ₹ 13,322.24 Lakh (Nil during the year 2020-21).

***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, 2022	For the year ended March 31, 2021
31	**Other Income**		
	Interest income on financial assets carried at amortised cost		
	Bank deposits	5,153.01	4,091.84
	Others	1,222.15	1,537.02
		6,375.16	**5,628.86**
	Other non-operating income		
	Liabilities no longer required, written back	890.44	98.63
	Liquidated Damages recovered from suppliers	4,077.57	2,669.06
	Miscellaneous income (net)	373.39	586.14
		5,341.40	**3,353.83**
	Other gains and losses		
	Net foreign exchange gain / (Loss)	(277.04)	267.76
	Fair value gain/(loss) on financial assets measured at Fair value through profit and loss	(317.58)	200.62
	Gain on disposal of property, plant and equipment	(0.90)	10.29
	Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
		(595.52)	**478.67**
	Total	**11,121.04**	**9,461.36**
32	**Cost of Materials consumed**		
	Cost of materials consumed	125,961.82	96,319.42
	Direct expenses	374.73	688.89
		126,336.55	**97,008.31**
33	**Changes in Inventories of Finished Goods and Work-in-progress**		
	Opening Stock:		
	Finished goods	645.87	515.41
	Work-in-progress	40,589.45	27,829.16
		41,235.32	**28,344.57**
	Closing Stock:		
	Finished goods	2,904.80	645.87
	Work-in-progress	46,766.10	40,589.45
		49,670.90	**41,235.32**
	Net (Increase) / Decrease	**(8,435.58)**	**(12,890.75)**
34	**Employee Benefits Expense**		
	Salaries and wages, including bonus	45,763.89	41,303.20
	Contribution to provident and other funds	8,660.68	6,398.56
	Staff welfare expenses	2,641.70	2,407.10
	Total	**57,066.27**	**50,108.86**
	Refer note 38(3): Employee Benefit obligations and 38(8): Related party transactions		
35	**Finance Costs**		
	Interest expense	203.41	252.26
	Other finance costs	139.02	139.02
	Total	**342.43**	**391.28**
36	**Depreciation and Amortisation expense**		
	Depreciation of property, plant and equipment	6,763.26	6,904.64
	Amortisation of right of use asset	197.47	176.42
	Amortisation of intangible assets	2,074.74	2,372.78
	Total	**9,035.47**	**9,453.84**

(₹ in Lakh)

	PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
37	**Other Expenses**		
	Shop Supplies	482.11	401.59
	Power and Fuel	2,084.29	1,858.84
	Water Charges	451.98	468.67
	Travelling #	1,348.13	754.01
	Repairs:		
	Buildings	1,422.50	1,126.67
	Plant, Machinery and Equipment	1,122.26	1,036.60
	Furniture and Equipment	144.06	163.38
	Vehicles	17.49	18.63
	Others	26.99	22.98
	Vehicle Expenses - Petrol and Diesel	71.47	26.36
	Loose Tools and Equipment	100.35	305.71
	Insurance	689.88	647.32
	Rates and Taxes	207.91	220.84
	Postage, Telegrams, Telex and Telephones	125.85	126.26
	Printing and Stationery	62.87	45.45
	Publicity	191.57	447.65
	Advertisement	91.41	132.62
	Bank Charges	132.49	79.92
	Legal Expenses	2.90	3.71
	Donations	0.89	0.50
	Write off - Others	-	0.24
	Auditors' Remuneration: (refer note (i) below)	16.69	15.75
	Security Arrangements	4,618.02	4,355.83
	Computer Software and Development	8.32	-
	Entertainment	1.25	1.07
	Courtesy	-	-
	Sitting Fee paid to Directors	5.75	3.00
	Sitting Fee paid to Independent External Monitors	3.50	0.80
	CSR & Sustainable Development Expenditure	1,169.80	1,458.43
	Provision for Replacement, Warranty and Batch Rejections	2,789.03	735.37
	Provision for Redundancy	397.07	359.63
	Provision for Onerous Contract	-	-
	Provision Others	7,298.85	-
	Miscellaneous Operating Expenses:		
	Testing of Materials	3,282.60	3,123.95
	Proof Firing Expenses	20.82	18.66
	Manpower Hiring Charges	1,141.73	1,065.40
	Material Handling Charges	1,014.80	815.56
	Hiring of Vehicles	781.25	510.55
	Others	2,839.48	2,325.71
	Total	**34,166.36**	**22,677.66**
	# Includes Directors' Travelling Expenses	67.53	29.80
	Notes:		
	i) Auditors' Remuneration comprises Fee:		
	Particulars		
	For Statutory Audit	10.00	10.00
	For Tax Audit	1.25	1.25
	For other services	5.25	4.50
	For reimbursement of expenses	0.19	-
	Total Auditors' remuneration	**16.69**	**15.75**
	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		

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 agreeemnt 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.

Impairment Loss recognised during the year:

(₹ in Lakh)

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)	140.74	3,217.83	3,358.57
Recoverable Amount*	-	-	-
Impairment Loss	**140.74**	**3,217.83**	**3,358.57**

* 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 uncertainities 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, 2022	For the year ended March 31, 2021
Profit after tax	49,992.44	25,776.52
Basic:		
Number of shares outstanding at the end of the year	183,281,250	183,281,250
Weighted average number of equity shares	183,281,250	183,281,250
Earnings per share (INR)	27.28	14.06
Diluted:		
Effect of potential equity shares on employee stock options outstanding	-	-
Weighted average number of equity shares outstanding	183,281,250	183,281,250
Earnings per share (INR)	27.28	14.06

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

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
Present value of Obligation at the begining of the year	22,860.30	22,865.09
Current service cost	549.23	604.72
Interest expense or cost	1,453.41	1,444.19
Remeasurements		
(Gain)/loss from change in demographic assumptions	76.59	111.04
(Gain)/loss from change in financial assumptions	(407.33)	(109.66)
Experience (gains)/loss	80.15	(22.05)
Benefit paid	(2,399.85)	(2,033.03)
Present value of Obligation at the end of the year	**22,212.50**	**22,860.30**

Changes in the Fair value of Plan Assets

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
Fair value of Plan Assets at the begining of the year	23,324.09	19,240.01
Interest income	1,484.53	1,324.38
Employer contributions	-	3,625.08
Benefit payments	(2,399.85)	(2,033.03)
Remeasurements - Return on Assets (Excluding Interest Income)	182.35	1,167.65
Fair value of Plan Assets at the end of the year	**22,591.12**	**23,324.09**

Expenses recognised during the period

Particulars	March 31, 2022	March 31, 2021
In the Statement of Profit and Loss	518.11	724.53
In Other Comprehensive Income	(432.94)	(1,188.32)
Total	**85.17**	**(463.79)**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	March 31, 2022	March 31, 2021
Present value of funded obligations	22,212.50	22,860.30
Fair value of plan assets	22,591.12	23,324.09
Deficit of funded plans	**(378.62)**	**(463.79)**

The significant actuarial assumptions were as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.12%	6.71%
Salary escalation	6.00%	6.00%
Attrition rate	4.18%	3.62%

Sensitivity analysis

Particulars	March 31, 2022	March 31, 2021
Defined Benefit Obligation	22,212.50	22,860.31
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	21,283.58	21,820.74
Decrease: -1%	23,235.75	24,008.38
Salary Growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	22,711.45	23,429.70
Decrease: -1%	21,699.76	22,280.13
Attrition rate: (% change compared to base due to sensitivity)		
Increase : +1%	22,341.68	22,982.94
Decrease: -1%	22,073.42	22,728.97

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:

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
Central government security	5,551.37	5,731.49
State government security	9,594.13	9,905.41
NCD/ Bonds	5,028.41	5,191.56
Equity	1,454.72	1,501.92
Fixed deposit	76.43	78.91
CBLO	647.05	668.05
Loans	3.19	3.30
Other approved security	235.80	243.45
	22,591.12	**23,324.09**

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.

The expected cash flows over the next years is as follows:

(₹ in Lakh)

Particulars	Less than a year	Between 2-3 years	Between 4-5 years	Total
31-Mar-22				
Defined benefit obligation-gratuity	3,388.02	7,156.21	6,552.30	17,096.53

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 acturially valued.

Company has provided an amount of ₹ 845.10 lakhs (₹122.86 lakhs during 2020-21) 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 uncertainities regarding recoverability of certain instruments made by the PF Trust, during the current year the company has provided ₹ 1556.20 lakhs (₹ 2875.28 lakhs during 2020-21) being change due to remeasurement of defined benefit plans which has been recognised in other comprehensive income.

Acturial Assumptions	March 31, 2022	March 31, 2021
	(Funded)	(Funded)
Discount rate	7.12%	6.71%
Rate of escalation in salary	6.00%	6.00%
Interest Rate Guarantee on Provident Fund	*	8.50%
Interest Rate declared by BDL PF Trust	*	8.50%

* Yet to be notified

(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, 2022	March 31, 2021
The Actuarial Liability of Accumulated absences of the employees of the Company	13343.39	12677.66
Less: Plan assets	13561.92	12985.91
Net obligation / (Asset)	(218.53)	(308.25)
Significant assumptions:		
Discounting Rate	7.12% P.A.	6.71% P.A.
Salary escalation Rate	6.00%	6.00%
Retirement Age	60 YEARS	60 YEARS

(iv) Post Retirement Medical Scheme

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
a) Contributions made to Post Superannuation Medical Benefits for the Employees retired before 01 Jan 2007- PSMB-I	1,523.82	-
b) Contributions made to Post Superannuation Medical Benefits for the Executives retired after 01 Jan 2007- PSMB-II	328.39	322.47
c) Contributions made to Post Superannuation Medical Benefits for the Non-Executives retired after 01 Jan 2007-PSMB-III	448.30	443.15

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.

(₹ in Lakh)

Particulars	March 31, 2022	March 31, 2021
Contract Revenue recognised during the year	(72.58)	-
Aggregate amount of cost incurred	42,266.41	41,554.10
Profit Recognised	3,273.51	4,058.40
Amount of retention money due	-	-
Amount of advance received and outstanding	-	3,335.21

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, 2022	March 31, 2021
Being in the nature of Revenue expenditure	4706.90	4087.18
Being in the nature of Capital expenditure (Assets Capitalised)	107.71	207.57

38(6) Contingent Liabilities & Contractual Commitments:

(₹ in Lakh)

Contingent Liabilities Not Provided for:	March 31, 2022	March 31, 2021
Outstanding Letters of Credit and Guarantees:		
(i) Letters of Credit	696.23	568.50
(ii) Guarantees and Counter Guarantees	9,689.54	2,111.40
Total	**10,385.77**	**2,679.90**
Claims / Demands against the Company not acknowledged as Debt:		
(i) PSUs	-	-
(ii) Sales Tax	21,310.03	21,310.03
(iii) Service Tax	4,239.31	4239.31
(iv) Income Tax	95.64	95.63
(v) Excise Duty	5,306.33	-
(vi) Others	1,172.29	290.90
Total	**32,123.60**	**25,935.87**
Contractual Commitments:		
(A) Estimated amount of contracts remaining to be executed on Capital Account and not provided for, is		
(i) Property, Plant & Equipment	4,642.48	7,112.70
(ii) Investment Property	-	-
(iii) Intangible Assets	-	50.00
(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.	3,118.06	6,057.01
Total	**7,760.54**	**13,219.71**

38(7) Details of short closed projects:

Out of the advances of ₹ 36234.42 Lakh (as at March 31,2021 ₹ 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 31,2021 ₹114.05 Lakh), Current Assets (Note 10-16) comprises an amount of ₹ 11041.65 Lakh (as at March 31,2021 ₹13084.80 Lakh) in Advances to vendors and ₹ 9446.00 Lakh (as at March 31,2021 ₹ 7452.96 Lakh) in Inventories, total amounting to ₹20601.70 Lakh (as at March 31,2021 ₹ 20651.81 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 31,2021 ₹ 2314.70 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	Shri N P Diwakar, Director (Technical)
Shri P Radha Krishna, Director (Production)	Shri N Srinivasulu, Director (Finance)
Shri S Piramanayagam, Director (Finance) (Upto 30 June 2020)	Shri K S Sampath, Independent Director (Upto 12 Sep 2020)
Smt Latha Narasimhamurthy, Independent Director (upto 12 Sep 2020)	Shri Ajay Nath, Independent Director (Upto 12 Sep 2020)
Shri Sunil Chintaman Mone, Independent Director (w.e.f 24 Dec 2021)	Shri Nandakumar Subburaman, Independent Director (w.e.f 24 Dec 2021)
Prof. (Dr.) Sanghamitra Mishra, Independent Director (w.e.f 27 Dec 21)	Shri Rajendra Singh Shekhawat, Independent Director (w.e.f 28 Dec2021)
Dr. Pawan Sthapak, Independent Director (w.e.f 24 Dec 2021)	Shri N Nagaraja, Company Secretary

(₹ in Lakh)

Key management personnel compensation	March 31, 2022	March 31, 2021
Short - term employee benefits	248.47	222.96
Post - employment benefits	39.94	36.69
Long - term employee benefits	-	-
Sitting fee to Independent Directors	5.75	3.00
Total compensation	**294.16**	**262.65**

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, 2022	March 31, 2021
(i) Interim dividend for the year ended March 31, 2022 of ₹7.30 (March 31,2021 of ₹6.70) per fully paid equity share	13,379.53	12,279.84
(ii) Dividends not recognised at the end of reporting period: As at the year end March 31, 2022 the directors have recommended the payment of a final dividend of ₹1.00 per fully paid equity share (March 31, 2021: ₹0.65). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,832.81	1,191.33

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.

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 ₹ 90,187.51 lakh (₹ 30,613.32 lakh during the year 2020-21). Out of which ₹ 59653.86 lakh pertains to contracts on FOR-Destination basis. The contract provides for retention of goods in certain circumstances mentioned therein. In respect of ₹ 30533.65 lakh, though the contract is 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 Andhra Bank to the extent of ₹ 41,000.00 lakh (as at March 31,2021 ₹ 41,010.00 lakh) on book debts.

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:

Particulars	March 31, 2022	March 31, 2021
Contingent Assets	-	-

38(15) Fair Value Measurement

(₹ in Lakh)

Particulars		Fair value hierarchy Level	Notes	As at March 31, 2022			As at March 31, 2021		
				Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
A.	**Financial Assets**								
a)	**Measured at amortised cost**								
	i) Cash and cash equivalents	3	12	26,504.37	26,504.37	-	45,691.67	45,691.67	
	ii) Other bank balances	3	13	163,449.00	163,449.00	-	110,403.80	110,403.80	
	iii) Loans	3	7, 14	387.43	387.43	-	448.83	448.83	
	iv) Other financial assets	3	8, 15	128,907.46	128,907.46	-	121,444.64	121,444.64	
	v) Trade receivables	3	11	30,416.13	30,416.13	-	32,269.27	32,269.27	
	Sub - total			**349,664.39**	**349,664.39**	**-**	**310,258.21**	**310,258.21**	**-**
b)	**Mandatorily measured at fair value through profit or loss**								
	i) Investment in equity instruments in other companies	3	6	53.60	-	-	53.60		452.26
	ii) Deferred receivable	3	8, 15	2852.90	-	4,340.61	3,043.09		4,553.78
	Sub - total			**2,906.50**	**-**	**4,340.61**	**3,096.69**	**-**	**5,006.04**
	Total Financial Assets			**352,570.89**	**349,664.39**	**4,340.61**	**313,354.90**	**310,258.21**	**5,006.04**
B.	**Financial Liabilities**								
a)	**Measured at amortised cost**								
	i) Trade payables	3	19, 24	652.71	652.71	-	771.19	771.19	
	ii) Lease liabilities	3	25	55,246.98	55,246.98		74,260.11	74,260.11	
	iii) Other financial liabilities	3	20, 26	17,753.05	17,753.05	-	15,791.40	15,791.40	
	Sub - total			**73,652.74**	**73,652.74**	**-**	**90,822.70**	**90,822.70**	**-**
b)	**Mandatorily measured at fair value through profit or loss**								
	i) Embedded Derivative financial liability	3	20,26	-	-	2,789.70	-		2,951.84
	Sub - total			**-**	**-**	**2,789.70**	**-**	**-**	**2,951.84**
	Total Financial Liabilities			**73,652.74**	**73,652.74**	**2,789.70**	**90,822.70**	**90,822.70**	**2,951.84**

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets and liabilities:

(₹ in Lakh)

Particulars	Level	March 31, 2022	March 31, 2021
Financial Assets:			
a) Measured at fair value through profit or loss			
i)Investment in equity instruments in other companies	3	-	452.26
ii)Deferred receivable	3	4,340.61	4.553.78
Financial liabilities:			
a) Measured at fair value through profit or loss			
i)Embedded Derivative financial liability	3	2,789.70	2,951.84

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.

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 2022: (₹ in Lakh)

Particulars	Unlisted equity shares	Deferred receivable	Embedded derivative liability
As at 31 March 2021	452.26	4,553.78	2,951.84
Gain/loss recognised in profit and loss	(452.26)	134.68	
Current maturity of Financial Instrument		(347.85)	(162.14)
As at 31 March 2022	-	4,340.61	2,789.70

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 2022	March 31, 2021		
Unquoted equity shares	-	452.26	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	4,340.61	4,553.78	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 57.28 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 57.28 lakh with a corresponding impact on profit and loss.
Embedded derivative liability	2,789.70	2,951.84	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 58.91 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 58.91 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:

(i) Year ended March 31, 2022:

(a) Expected credit loss for financial assets where general model is applied (₹ in Lakh)

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 revenue under simplified approach

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	145426.26	4109.35	149535.61
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	145426.26	4109.35	149535.61

(ii) Year ended March 31, 2021:

(a) Expected credit loss for financial assets where general model is applied

(₹ in Lakh)

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 - Loss allowance measured at 12 month expected credit losses	Claims/ refunds receivable	4167.58	0.52%	(21.47)	4,146.11
	Loans	448.83	-	-	448.83

(b) Expected credit loss for trade receivables and unbilled revenue under simplified approach

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	140466.64	7053.84	147520.48
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	140466.64	7053.84	147520.48

(iii) Reconciliation of loss allowance:

(₹ in Lakh)

Particulars	Trade receivables and unbilled revenue	Claims/refunds receivable
Loss allowance as at March 31, 2021	-	(21.47)
Add/less	-	-
Loss allowance as at March 31, 2022	-	(21.47)

(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, 2022	March 31, 2021
Expiring within one year (bank overdraft and other facilities)	1500.00	1500.00

(ii) Maturities of financial liabilities

(₹ in Lakh)

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	1674.19
Deposits	1,413.42	-	-	-	1413.42
Creditors for expenses	6,828.34	-	-	-	6828.34
Employee benefits payable	6,388.29	-	-	-	6388.29
Capital works	1,146.22	-	-	-	1146.22
Others	302.59	-	-	-	302.59
Derivative					
Embedded derivative liability (Deferred liability)	357.73	162.14	486.42	1783.41	2789.70

(₹ in Lakh)

Contractual maturities of financial liabilities as at March 31, 2021	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	118.48	131.97	489.22	31.52	771.19
Deferred Credit towards 45 years Component	195.60	181.10	466.73	887.85	1,731.28
Deposits	1,810.04	-	-	-	1,810.04
Creditors for expenses	4,245.51	-	-	-	4,245.51
Employee benefits payable	6,603.49	-	-	-	6,603.49
Capital works	946.57	-	-	-	946.57
Others	454.51	-	-	-	454.51
Derivative					
Embedded derivative liability (Deferred liability)	357.73	162.14	486.42	1,945.68	2,951.97

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. As per the sales contract, the company is eligible for exchange rate variation upon settlement of foreign exchange liabilities. Hence, the company is protected against the foreign currency risk.

(FE in Lakh)

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	-	-	-

Particulars	March 31, 2021				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables	246.08	8.68	-	0.10	-
Foreign currency assets					
- Receivables	120.13	-	-	-	-
Net Exposure	125.95	8.68	-	0.10	-

(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, 2022	March 31, 2021
Sensitivity		
INR/USD – Increase by 1%	12.79	93.87
INR/USD – Decrease by 1%	(12.79)	(93.87)
INR/EURO – Increase by 1%	10.70	7.53
INR/EURO – Decrease by 1%	(10.70)	(7.53)
INR/GBP – Increase by 1%	-	-
INR/GBP – Decrease by 1%	-	-
INR/CHF – Increase by 1%	-	0.08
INR/CHF – Decrease by 1%	-	(0.08)
INR/SEK – Increase by 1%	-	-
INR/SEK – Decrease by 1%	-	-

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 2022 (As at 31 March, 2021 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	88.91	6808.83	73.33	5,529.77	91.82	6930.72
	(246.08)	(18,182.44)	(120.13)	(8,795.73)	(34.51)	(2,347.26)
EURO	12.56	1069.97	-	-	0.99	83.96
	(8.68)	(753.39)	-	-	(3.30)	(286.14)
GBP	-	-	-	-	-	-
	-	-	-	-	-	-
CHF	-	-	-	-	-	-
	(0.10)	(7.79)	-	-	-	-
SEK	-	-	-	-	-	-
	-	-	-	-	-	-
Total (₹)		**7878.80**		**5529.77**		**7014.68**
		(18,943.62)		**(8,795.73)**		**(2,633.40)**

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

i. 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"

ii. Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract on acceptance by the customer.

iii. 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.

iv. 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.

v. The company's turnover mainly includes supply of missiles and allied defence equipments.

vi. Warranties provided are primarily in the nature of performance warranty.

vii. The company normally uses the input method to recognise revenue is 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	Channel Partner (For Exports)	Others	Total
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**
For the year ended March 31, 2021				
Sale of Products	129,442.18	14,171.29	21,737.95	**165,351.41**
Sale of Services	9,061.20	293.56	6,040.62	**15,395.38**
Total	**138,503.38**	**14,464.85**	**27,778.57**	**180,746.79**

C Movement of Contract Assets and Contract Liabilities

(₹ in Lakh)

Particulars	Contract Assets		Contract Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance (A)	**115,251.21**	**233,782.49**	**188,107.60**	**189,719.73**
Additions				
Against Sales recognised during the year	103,272.80	35,972.61		
Receipt of advance from Customer during the year			178,679.34	186,165.05
Change in transaction price recognised during/previous year			0.07	
Others (if any)	7,612.29	147.47		1,165.35
Total - (B)	**110,885.09**	**36,120.08**	**178,679.41**	**187,330.41**
Deductions				
Contract liability adjusted against- Revenue recognised during the year out of Opening balance			68,645.73	77,811.62
Contract liability adjusted against- Revenue recognised during the year out of Current year balance			81,904.10	111,041.73
Conversion of Contract Asset to Trade receivable	107,016.82	148,226.06		
Impairment of Contract Asset if any*				
Write back of Contract Liability if any				89.19
Change in transaction price recognised during/previous year				
Others (if any)		6,425.30	840.73	-
Total - (C)	**107,016.82**	**154,651.36**	**151,390.56**	**188,942.54**
Grand Total (Closing Balance) D = (A+B-C)	**119,119.48**	**115,251.21**	**215,396.45**	**188,107.60**

* 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

(₹ in Lakh)

Particulars	Total Amount	Within a Year	1 - 2 Years	2 - 3 Years	More than 3 Years
Unexecuted order value as on 31.03.2022*	1,017,000.00	435,100.00	350,900.00	167,400.00	63,600.00

* The amount is subject to LD of ₹ 3118.06 lakh

E Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Revenue as per Statement of P&L Account				
Sale of Products	259,666.93		165,351.41	
Sale of Services	11,559.26		15,395.38	
Total (a)		**271,226.19**		**180,746.79**
Add/ Less adjustment to contract price				
FE variation claim	-		(1,824.85)	
Incentives, performance bonus received	-		-	
Discount, rebate offered	-		-	
Price concession offered	-		-	
LD levied by customers	3,899.77		3,714.43	
LD refunded by customers	(13,322.24)			
Others if any	-		7,304.86	
Total adjustment (b)		**(9,422.47)**		**9,194.43**
Contract price (a + b)		**261,803.72**		**189,941.23**

F Movement of Trade Receivable for 2021-22

(₹ in Lakh)

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**

Movement of Trade Receivable for 2020-21

(₹ in Lakh)

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	**27,730.13**	**6,106.67**	**33,836.80**
Additions			
Against Sales recognised during the year	173,256.47	9,799.98	183,056.45
Conversion of Contract Asset to Trade receivable	142,896.72	5,329.34	148,226.06
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	-	-	-
Total - (B)	**316,153.19**	**15,129.32**	**331,282.51**
Deductions			
Collection made during the years	132,112.13	11,797.41	143,909.54
Advance adjusted during the year out of revenue recognised	186,884.09	1,969.26	188,853.35
Impairment of Debtors (Provisions)*	-		-
Change in transaction price recognised during/previous year	-	34.95	34.95
Others (if any)	52.20	-	52.20
Total - (C)	**319,048.42**	**13,801.62**	**332,850.04**
Grand Total (Closing Balance) D = (A+B-C)	**24,834.90**	**7,434.37**	**32,269.27**

*** 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

(₹ in Lakh)

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 Ibhrahimpatnam (632 Acres 15.50 Guntas)	7,965.16	TSIIC	No	16-02-2017	In the process of registration.
Freehold Land	Land at Kanchanbagh (146 Acres 32 Guntas)	28.42	DMRL	No	19-10-1972	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	02-03-2011	Lease deed is executed but yet to be registered.

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)

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, 2022					
(i) Projects in progress	2,760.67	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**
As at 31 March, 2021					
(i) Projects in progress	1219.48	378.95	434.52	116.91	2,149.86
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**1219.48**	**378.95**	**434.52**	**116.91**	**2,149.86**

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, 2022	3,457.25	-	-	-
As at 31 March, 2021	862.32	143.64	-	-

* 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, 2022	As at 31 March, 2021	% Variance	Reason for Variance
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.14	1.94	10.03%	-
(b) Debt-Equity Ratio	Not Applicable as the company has no debt.					-
(c) Debt Service Coverage Ratio						
(d) Return on Equity Ratio (in %)	Net Profit after taxes	Average Shareholder's Equity-	17.49%	9.74%	80%	Improved due to higher PAT on account of higher turnover, relatively lower fixed overheads and LD refund received.
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	1.85	1.70	9%	-
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	8.99	5.79	55%	Improved due to higher sales and better realisation
(g) Trade payables turnover ratio (in times)	Purchases	Average Trade Payables	2.22	2.55	-13%	-
(h) Net capital turnover ratio (in times)	Revenue from operations	Working Capital	0.96	0.80	20%	-
(i) Net profit ratio (in %)	Net Profit after taxes	Revenue from Operations	18%	13%	32%	Improved due to higher PAT on account of higher turnover, relatively lower fixed overheads and LD refund received.
(j) Return on Capital employed (in %)	EBIT i.e., Profit before tax and finance costs	Capital Employed i.e., Networth + Deferred Tax Liability (net)	23.99%	13.08%	83%	Improved due to higher turnover and change in product mix .
(k) Return on investment (in %)	Return to investor	Time weighted Investment	67.76%	85.34%	-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.

38(23) Corporate Social Responsibility (CSR):

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Gross amount required to be spent by the company during the year	1,169.80	1,458.43
(ii) Amount of expenditure incurred during the year on		
- Construction / acquisition of any asset:	328.20	117.93
- On purpose other than above	1,484.41	1,422.77
(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	637.06
(v) Reason for shortfall	Not Applicable	Provision created during 2011-12 to 2013-14 as per DPE guidelines
(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.	As per Note 28	

38(24) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

38(25) COVID-19:

The supply chain disruptions due to COVID-19 pandemic had adversely impacted the production and sales during the first two quarters of this financial year and preceding financial year. Your Company's manufacturing activities have come to normalcy post easing of restrictions and improved mobility and with the vaccination drive picking up the momentum. The supplies are back in track and required input materials are also being received in time. The FY 2022 being the second year of the COIVID-19 pandemic, the Company has considered internal and external sources of information up to date of approval of these financial statements in evaluating possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets. The Company is confident about the recoverability of these assets.

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) 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. 002424S

K P RANGANATHAN
Partner
(M.No. 0239498)
UDIN: 22239498AJQHQR7176

Place: Hyderabad
Date: 26 May 2022

N SRINIVASULU
Director (Finance)
DIN: 08744682

Place: Hyderabad
Date: 26 May 2022

For and on behalf of the Board

Cmde SIDDHARTH MISHRA (Retd)
Chairman and Managing Director
DIN: 08367035

N NAGARAJA
Company Secretary
(M.No.A19015)

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, Gachibowli, Hyderabad - 500 032.
Registered Office : Kanchanbagh, Hyderabad - 500 058.
Tel. No. 040-23456145, Fax No. 040-23456110, E-mail : investors@bdl-india.in; Website : www.bdl-india.in

NOTICE

Notice is hereby given that the 52nd Annual General Meeting ("AGM") of the Members of BHARAT DYNAMICS LIMITED (CIN: L24292TG1970GOI001353) will be held at **15:00 hrs on Monday, 26 September 2022** through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') for which purpose the Corporate office of the Company situated at Plot No. 38-39, TSFC Building, Near ICICI Towers, Financial District, Gachibowli,Hyderabad,Telangana-500032 shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses.

Ordinary Business

1) To receive, consider and adopt audited financial statements of the Company for the financial year ended 31st March 2022, together with the Reports of the Board of Directors' and Auditors' thereon.

2) To confirm payment of interim dividend and declare final dividend for the financial year ended 31st March 2022.

3) To appoint a Director in place of Shri Potluri Radhakrishna (DIN: 08437975), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4) **To appoint Dr BHVS Narayana Murthy, DS & DG (MSS) (DIN: 09286096) as Part Time Official Director (Government Nominee Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an "Ordinary Resolution":**

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/3/2018-D(BDL) dated 25th August 2021 and section 152, 161 and other applicable provisions if any of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded for the appointment of Dr. BHVS Narayana Murthy, DS & DG (MSS) (DIN: 09286096) as Part Time Official Director (i.e Government Nominee Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India."

5) **Enhancement of Statutory Auditors Remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an "Ordinary Resolution":**

"RESOLVED THAT pursuant to the provisions of section 142 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules made there under, consent of the Members be and is hereby accorded to enhance the remuneration of statutory Auditors from ₹10 lakhs per annum to ₹12.50 lakhs per annum (excluding out of pocket expenses and applicable taxes) from the financial year 2021-22 and onwards".

6) **To ratify the remuneration of the Cost Auditor and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an "Ordinary Resolution":**

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, consent of the Members be and is hereby accorded for the payment of remuneration of ₹150000/- plus applicable taxes (excluding out of pocket expenses) to M/s.Narasimha Murthy & Co., Cost Accountants appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the Financial Year 2022-23".

7) To appoint Shri Sunil Chintaman Mone (DIN: 09223235) as Part-time Non-Official Director (i.e. Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution":

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 and sections 149,150,152, read with Schedule IV and other applicable provisions if any, of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Members be and is hereby accorded for the appointment of Shri. Sunil Chintaman Mone (DIN: 09223235) as Part-time Non-Official Director (i.e. Independent Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India."

8) To appoint Prof.(Dr.) Sanghamitra Mishra (DIN: 09448680) as Part-time Non-Official Director (i.e. Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution":

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 and sections 149,150,152 read with Schedule IV and other applicable provisions if any, of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Members be and is hereby accorded for the appointment of Prof.(Dr.) Sanghamitra Mishra (DIN: 09448680) as Part-time Non-Official Director (i.e. Independent Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India"

9) To appoint Shri Rajendra Singh Shekhawat (DIN: 09449860) as Part-time Non-Official Director (i.e. Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution":

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 and sections 149,150,152 read with Schedule IV and other applicable provisions if any, of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Members be and is hereby accorded for the appointment of Shri Rajendra Singh Shekhawat (DIN: 09449860) as Part-time Non-Official Director (i.e. Independent Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India"

10) To appoint Shri Nandakumar Subburaman (DIN: 0611401) as Part-time Non-Official Director (i.e. Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 and sections 149,150,152 read with Schedule IV and other applicable provisions if any, of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded for the appointment of Shri Nandakumar Subburaman (DIN: 0611401) as Part-time Non-Official Director (i.e. Independent Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India"

11) To appoint Dr. Pawan Sthapak (DIN:03605320) as Part-time Non-Official Director (i.e. Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution":

"RESOLVED THAT pursuant to Ministry of Defence, Government of India Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 and sections 149,150,152 read with Schedule IV and other applicable provisions if any, of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules,2014 and other applicable Rules, if any, (Including any statutory modification(s) or re-enactment thereof for the time being in force), Consent of the Members be and is hereby accorded for the appointment of Dr. Pawan Sthapak (DIN:03605320) as Part-time Non-Official Director (i.e. Independent Director) on the Board of the Company on such terms and conditions as stipulated by the Government of India"

By the Order of the Board of Directors

N. Nagaraja
Company Secretary
Membership No.A19015

Place : Hyderabad
Date : 25 August 2022

Notes :

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular Nos. 14/2020 dated April 8, 17/2020 dated April 13, 2020 General Circular No. 20/2020 dated May 5, Circular No 02/2021 dated 13 January 2021 and latest being 02/2022 dated May 05, 2022 and the Securities and Exchange Board of India (SEBI) vide its Circular number SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
3. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.
4. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Stakeholders Relationship Committee and Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
6. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the members are provided with the facility to exercise their to vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL). For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL on all the resolution set forth in the notice.
8. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.bdl-india.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) https://www.evoting.nsdl.com.
9. The Register of Members and the Share Transfer Books of the Company will be closed from **Tuesday, 20 September 2022 to Monday, 26 September 2022** (both days Inclusive).
10. As the AGM is being conducted through VC/ OAVM, for the smooth conduct of proceedings of the AGM, Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their e-mail address and send their queries in advance, mentioning their name, demat account number / folio number, email id, mobile number to investors@bdl-india.in. Questions / queries/ registration requests received by the Company from **Tuesday, 20 September 2022 (9:00 A.M IST) to Thursday, 22 September 2022(5:00 P.M IST),** shall only be considered and responded during the AGM and those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETINGARE AS UNDER:-

The remote e-Voting period begins on **Thursday, 22 September 2022 at 9:00 A.M. and ends on Sunday, 25 September 2022 at 5:00 P.M.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Monday, 19 September 2022,** may cast

their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Monday, 19 September 2022.**

E-VOTING INSTRUCTIONS :

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	i. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ii. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. iv. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
Individual Shareholders holding securities in demat mode with CDSL	i. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. ii. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a. If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL

account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for E-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote E-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting system in the AGM.

3. Members who have voted through Remote E-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for E-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:

1. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the company at investors@bdl-india.in with a copy marked to evoting@nsdl.co.in and rta@alankit.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.,) can also

upload their Board Resolution / Power of Attorney / Authority Letter etc., by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available onwww.evoting.nsdl.com to reset the password.

3. In case of any queries, pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in. Any query or grievance connected with the remote e-voting may be addressed to Ms. Soni Singh, NSDL,4th Floor,'A' Wing,Trade World,Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: evoting@nsdl.co.in,18001020 990 /1800 224430.

4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Monday, 19 September 2022,** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 .In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Monday, 19 September 2022** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USERID AND PASSWORD AND REGISTRATION OF E-MAILIDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rta@alankit.com and investors@bdl-india.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@bdl-india.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user ID and password for e voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. Members who have not registered their e-mail addresses so far or who want to update their e-mail address, are requested to approach their respective DP (for electronic holding) or with R&TA/ Company (for physical holding), for receiving all communication including Annual Report, Notices, Circulars, NECS intimation etc. for the Company electronically. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent at the following address:

Alankit Assignments Limited
SEBI Registration Number: INR000002532
Address: - 4E/2 Jhandewalan Extension, New Delhi-110055
Telephone: +911142541234; Facsimile: +911141543474
Email: rta@alankit.com; Website: www.alankit.com

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AREAS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio video loss due to Fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who need assistance before or during the AGM, can contact NSDL on 18001020990/ 1800 224430 or contact Ms.Soni singh at evoting@nsdl.co.in.

Dividend related information

1. The Board has recommended a final dividend of ₹1 per equity share on ₹10/- each. The dividend, if declared by the Members at the AGM, will be paid within 30 days from the date of declaration to those persons
   - whose names appear as beneficial owners at the end of the business hours on **Monday, 19 September 2022** in the list of beneficial owners to be furnished by the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
   - whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before **Monday, 19 September 2022**
2. Company will be making the dividend payment by electronic mode wherever possible and by dividend warrant/ Bank demand drafts in other cases. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership details furnished by the Depositories (NSDL & CDSL) as at the close of business hours on **Monday, 19 September 2022** for this purpose. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

   The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the Members. Members who have changed their bank account after opening the Depository Account and want to receive dividend in an account other than the one specified while opening the Depository Account, are requested to change/correct their bank account details (including the nine-digit Bank code) with their Depository Participant, before **Monday, 19 September 2022**.
3. Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government. Further, pursuant to the provisions of section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid/unclaimed for a period of seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the shareholders to encash /claim their respective dividend during the prescribed period.

4. Process for updating of bank account mandate for receipt of dividend electronically:

Physical Holding	Send a duly signed request letter to the Registrar and Transfer Agents of the Company by providing Folio No., Name of shareholder along with following documents: a) original cancelled cheque leaf bearing the name of the first shareholder; or b) Bank attested copy of first page of the Bank Passbook/Statement of Account in original and an original cancelled Cheque (In case of absence of name on the original cancelled cheque or initials on the Cheque).
Demat Holding	Please contact your Depository Participant (DP) and register your bank account details in your demat account, as per the process advised by your DP.

5. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account the Company shall dispatch the dividend warrants/Demand Drafts to such shareholder by post.
6. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1 April2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. For the prescribed rates for various categories the Shareholders are requested to refer to the Finance Act 2020 and amendments thereof.
7. All Shareholders are requested to update their PAN with the Company/RTA (in case of shares held in Physical mode) and with Depository Participant (in case of shares held in Demat mode)
8. A resident individual shareholder with PAN and whose is not liable to pay income tax can submit a yearly declaration in form No.15G/15H to avail the benefit of non-deduction of tax at source by sending an email to bdltaxation@bdl-india.in, investors@bdl-india.in, and rta@alankit.com latest by **Monday, 19 September 2022.**
9. Shareholders are requested to note in case of their PAN is not registered the tax will be deducted at the higher rate of 20%.
10. TDS is deductible at the rate mentioned in the valid lower/Nil rate deduction certificate issued by the Income Tax Department under section 197 of the Income Tax Act,1961,if such a valid certificate is provided.
11. Non-resident shareholders can avail beneficial rate under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership declaration, Tax residency certificate, Form- 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@bdl-india.in, bdltaxation@bdl-india.in and rta@alankit.com. The aforesaid declaration and documents need to be submitted by the shareholder latest by **Monday, 19 September 2022**.
12. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
13. Application of TDS rate is subject to due diligence and verification by the Company, of the shareholders' details as available in the register of Members on the Book Closure date, documents, information available in the public domain, etc. In case of ambiguous, incomplete or conflicting information, or if valid documents are not provided, the Company will arrange to deduct tax at the maximum applicable rate.
14. In the event of any income tax demand,(including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company, besides providing all requisite information/documents and to co-operate in any assessment/appellate Proceedings.
15. The information communicated above with regard to TDS is only meant for providing information to the Members and does not purport to be complete or comprehensive guidance on compliance of tax laws. Shareholders are responsible to consult with their tax consultants/advisors with regard to tax provisions applicable to their individual facts and circumstances and compliance of tax laws.

OTHER INSTRUCTIONS

1. The Company has appointed M/s Puttaparthi Jagannatham & Co., Practising Company Secretary to act as Scrutinizer to conduct and scrutinize the electronic voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same.
2. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s)and (iii) Transposition of shares.
3. As per Regulation 40 of Listing Regulations, securities of Listed companies can only be transferred in dematerialized form, with effect from 1 April, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form. Members may contact the Company or RTA for any assistance in this regard.
4. Brief profile of the Directors seeking appointment/re-appointment as mandated under regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the Stock Exchanges forms part of the Notice.
5. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Dr BHVS Narayana Murthy, DS & DG (MSS) was appointed as Part Time Official Director (i.e. Government Nominee Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No DDP-M0001(11)/3/2018-D(BDL) dated 25th August 2021.

His brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Ordinary Resolution as contained in the Notice by members of the Company.

Dr BHVS Narayana Murthy, DS & DG (MSS) is concerned or interested in the resolution to the extent of his appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.04 of this Notice.

Item No.5

This is to apprise the members that currently a fee of ₹ 10.00 lakhs per annum is being paid to the Statutory Auditors as Statutory Audit Fee from the year 2017-18 onwards. During the year request has been received from the Statutory Auditors of the Company to increase their audit fee. Their request for enhancement of the fee was based on increase in complexities of BDL operations, Accounting & Audit process, Govt. Regulations and the minimum scale of fee recommended by the Institute of Chartered Accountants of India. Accordingly, the Audit Committee and the Board in their meetings held on 26 May 2022 have considered the request and approved for enhancement of remuneration of Statutory Auditors from ₹ 10.00 lakhs per annum to ₹ 12.50 lakhs per annum (excluding out of pocket expenses and GST), subject to the approval of members in the ensuing Annual General Meeting.

The Board recommends the resolution set out in item No.05 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution at item No.05 of the accompanying Notice

Item No.6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules,2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company. The Board at its 270th meeting held on 26 May 2022 has considered and approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants as the cost auditor for the financial year 2022-23 and recommended remuneration of ₹150000/- per annum plus applicable tax.

As per section 148(3) of the Companies Act, 2013, the remuneration of Cost Auditor is required to be approved by the shareholders. The Board recommends the resolution set out in item No.06 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution. None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution at item No.06 of the accompanying Notice.

Item No.7

Shri Sunil Chintaman Mone was appointed as Part-time Non-Official Director (i.e. Independent Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 with effect from 24 December 2021 for a period for three years or until further orders whichever is earlier.

His brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends passing of the proposed Special Resolution as contained in the Notice by members of the Company.

Shri Sunil Chintaman Mone is concerned or interested in the resolution to the extent of his appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.7 of this Notice.

Shri Sunil Chintaman Mone has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with regulations16(1)(b) of the Listing Regulations. In opinion of the Board, he fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is Independent of the management of the Company. He is not holding any shares of BDL.

Item No.8

Prof.(Dr.) Sanghamitra Mishra was appointed as Part-time Non-Official Director (i.e. Independent Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 with effect from 27 December 2021 for a period for three years or until further orders whichever is earlier.

Her brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Special Resolution as contained in the Notice by members of the Company.

Prof.(Dr.) Sanghamitra Mishra is concerned or interested in the resolution to the extent of her appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.8 of this Notice.

Prof.(Dr.) Sanghamitra Mishra has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with regulations16(1)(b) of the Listing Regulations. In opinion of the Board, she fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is Independent of the management of the Company. She is not holding any shares of BDL.

Item No.9

Shri Rajendra Singh Shekhawat was appointed as Part-time Non-Official Director (i.e. Independent Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 with effect from 28 December 2021 for a period for three years or until further orders whichever is earlier.

His brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Special Resolution as contained in the Notice by members of the Company.

Shri Rajendra Singh Shekhawat is concerned or interested in the resolution to the extent of his appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.9 of this Notice.

Shri Rajendra Singh Shekhawat has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with regulations16(1)(b) of the Listing Regulations. In opinion of the Board, he fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is Independent of the management of the Company. He is not holding any shares of BDL.

Item No.10

Shri Nandakumar Subburaman was appointed as Part-time Non-Official Director (i.e. Independent Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 with effect from 24 December 2021 for a period for three years or until further orders whichever is earlier.

His brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Special Resolution as contained in the Notice by members of the Company.

Shri Nandakumar Subburaman is concerned or interested in the resolution to the extent of his appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.10 of this Notice.

Shri Nandakumar Subburaman has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with regulations16(1)(b) of the Listing Regulations. In opinion of the Board, he fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is Independent of the management of the Company. He is not holding any shares of BDL.

Item No.11

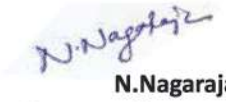
Dr. Pawan Sthapak was appointed as Part-time Non-Official Director (i.e. Independent Director) by the President of India vide Ministry of Defence, Government of India letter No. Letter No. DDP-M0001(11)/1/2018-D(BDL) dated 03rd January 2022 for a period for three years with effect from 24 December 2021 or until further orders whichever is earlier.

His brief resume containing, qualification, expertise, etc. is annexed herewith. The Board accordingly recommends the passing of the proposed Special Resolution as contained in the Notice by members of the Company.

Dr. Pawan Sthapak is concerned or interested in the resolution to the extent of his appointment. None of the other Directors and Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the Resolution set out at item No.11 of this Notice.

Dr. Pawan Sthapak has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with regulations16(1)(b) of the Listing Regulations. In opinion of the Board, he fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Director and is Independent of the management of the Company. He is not holding any shares of BDL.

By the Order of the Board of Directors



N.Nagaraja
Company Secretary
Membership No. A19015

Place : Hyderabad
Date : 25 August 2022

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ REAPPOINTMENT AT THE AGM PURSUANT TO REGULATION 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS:

Name of the Director	Shri P.Radhakrishna	Dr BHVS Narayana Murthy	Shri Sunil Chintaman Mone	Prof.(Dr.) Sanghamitra Mishra	Shri Rajendra Singh Shekhawat	Shri Nandakumar Subburaman	Dr. Pawan Sthapak
DIN	08207722	09286096	09223235	09448680	09449860	0611401	03605320
Date of Birth	30/06/1963	23/05/1963	05-12-1957	04-12-1970	05-02-1959	30-06-1959	25-05-1962
Date of first appointment on the Board	01/06/2019	25/08/2021	24-12-2021	27-12-2021	28-12-2021	24-12-2021	24-12-2021
Qualifications	M.Tech. in Industrial Engineering and Management from JNTU, Hyderabad. B.Tech in Mechanical Engineering from Nagarjuna University in Andhra Pradesh	Graduated in Electronics and Communication Engineering from REC, Warangal, and M.Tech from JNTU, Hyderabad and Ph.D in Computer Science from IIIT, Hyderabad	Chartered Accountant	M.D in Anaesthesiology	B.SC (Science Graduate) and LLB	BE and MBA (IIM-Lucknow)	MBBS,DOMS & MS
Expertise in specific functional areas	He has rich Experience spanning over 32 years, in various fields of Missile Production which includes areas like Component Production, Missile Integration & testing, Project Planning, Quality Control & Indigenization of Missile Systems.	He is a distinguished defence scientist and renowned for his R&D in the indigenous design & development of advanced Avionics technologies for defence and aerospace applications in India. He played a vital role in the successful development and demonstration of avionics systems for BVRAAM Astra, QRSAM, Akash1S, Akash NG, HSTDV, NGARM, Long Range Guided Bombs, BrahMos, ATGM Nag, HELINA, MPATGM, SANT, BMD, ANSP, Agni series of missiles and other guided weapon systems.	He has 22 years experience with Government sector and has been very active in Finance aspects of CSS schemes, PMGSY, MGNREGS, IWMP, IRRIGATION CORP, ULBs PFMS. Tourism etc. as Financial Advisor/auditor/controller/expert. He is also associated as Financial Management Specialist with Grant Thornton projects	She is working as Additional Dean of Super specialty - DM/MCH program and Head of the department Critical Care Medicine at the Institute of Medical Sciences and Sum hospital, SIKHA 'O' Anusandhan University. She has 22 years of clinical and administrative experience in both private and public / Govt. health sectors. namely MKCG Medical	He worked as Astt. Commissioner of Police and Addl SP Anti-Corruption Bureau in Rajasthan Police. He has received the President Police Medal, the highest award of the Police Department for Distinguished service awarded by the former President Shri APJ Abdul Kalam.	He is the Founder CEO of Perfint Healthcare (P) Ltd, Chennai, India and President of Perfint Healthcare Corporation, USA. Perfint is India's first Medical Robotics company. Perfint's award winning, patented technology is cleared by USFDA and CE and is installed at over 100 top medical Institutions around the world.	He is Director in Janjyoti Super Specialty Eye Hospital and Dada Virendra Puri ji Eye Institute. He is a National Convenor of Cornea Andhtva Mukt Bharat Abhiyann (CAMBA) and also Executive Council Member of National Institute for the empowerment of the persons with visual disabilities (NIEPVD)GOI

Terms and conditions of appointment or reappointment	He was appointed w.e.f June 1, 2019 pursuant to Ministry of Defence, Government of India vide letter No. DDP-M0001(11)/02/2018-D(BDL) dated 27 May 2019. The current terms and conditions of his employment were prescribed by Ministry of Defence in the above Order	He was appointed as Government Nominee on the Board of Bharat Dynamics Limited w.e.f 25th August 2021 pursuant to Ministry of Defence, Government of India vide their letter DDP-M0001(11)/3/2018-D(BDL) dated 25th August 2021	He was appointed w.e.f December 24, 2021 pursuant to Ministry of Defence, Government of India vide their letter No. M0001(11)/1/2018-D(BDL) dated 03rd January 2022. The current terms and conditions of his employment were prescribed by Ministry of Defence in the above Order	She was appointed w.e.f December 27, 2021 pursuant to Ministry of Defence, Government of India vide their letter No. M0001(11)/1/2018-D(BDL) dated 03rd January 2022. The current terms and conditions of her employment were prescribed by Ministry of Defence in the above Order	He was appointed w.e.f December 28, 2021 pursuant to Ministry of Defence, Government of India vide their letter No. M0001(11)/1/2018-D(BDL) dated 03rd January 2022. The current terms and conditions of his employment were prescribed by Ministry of Defence in the above Order	He was appointed w.e.f December 24, 2021 pursuant to Ministry of Defence, Government of India vide their letter No. M0001(11)/1/2018-D(BDL) dated 03rd January 2022. The current terms and conditions of his employment were prescribed by Ministry of Defence in the above Order	He was appointed w.e.f December 24, 2021 pursuant to Ministry of Defence, Government of India vide their letter No. M0001(11)/1/2018-D(BDL) dated 03rd January 2022. The current terms and conditions of his employment were prescribed by Ministry of Defence in the above Order
Details of remuneration last drawn (FY 2021-22)	₹ 6098542	Nil	₹ 115000	₹ 115000	₹ 115000	₹ 115000	₹ 115000
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies)	Nil	Nil	Nil	Nil	Nil	1. PVP Ventures Limited 2.Picturehouse Media Limited	Nil
Membership / Chairmanship of Committees across all Public Companies*	Nil	Nil	2	2	2	2	2
No. of Board Meetings attended during the Financial Year 2021-22	5 out of 5	3 out of 3	1 out of 1	1 out of 1	1 out of 1	1 out of 1	1 out of 1
No. of shares held in the Company:							
(a) Own	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) For other persons on a beneficial basis	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-se relationship with other Directors and Key Managerial personnel	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	* In line with Regulation 26 of SEBI (LODR) Regulations, 2015, as amended, membership of the Audit Committee and Stakeholders' Relationship Committee has only been taken into consideration						

NOTES

NOTES

Kanchanbagh Unit

Bhanur Unit

Visakhapatnam Unit

भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED
(भारत सरकार का उपक्रम, रक्षा मंत्रालय)
(A Govt. of India Enterprise, Ministry of Defence)
CIN No.: L2429TG1970GOI001353
Corporate Office: Plot No. 38-39, TSFC Building,
Near ICICI Towers, Financial District, Gachibowli, Hyderabad - 500032. Telangana, India.
E-mail:investors@bdl-india.in Website: www.bdl-india.in