



BHARAT DYNAMICS LIMITED

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

CIN :- L24292TG1970GOI001353

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

Registered Office: - Kanchanbagh, Hyderabad-500058

Tel: 040-23456145; Fax: 040-23456110

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

Ref - BDL/CS/2024/SE-41

Date: 04/09/2024

To, Compliance Department The National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East) Mumbai- 400051 Scrip Code- BDL	To, Compliance Department BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400001 Scrip Code-541143
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Sub: - Intimation of 54th Annual General Meeting and Book Closure.

1. We wish to inform you that the 54th Annual General Meeting (AGM) of the Members of Bharat Dynamics Limited will be held **on Monday, 30th September 2024 at 03:00 PM** through Video Conferencing (VC) /Other Audio Visual Means (OAVM).
2. Pursuant to Regulation 42 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (as amended), we wish to inform you that the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 24 September, 2024 to Monday, 30 September, 2024 (both days inclusive)** for the purpose of payment of Final Dividend and for the 54th Annual General Meeting of the Company. The company has fixed **Monday, 23 September, 2024 as the "Record Date"** for determining the members eligible to receive final dividend. The dividend, if declared by the members at the AGM, will be paid within 30 days from the date of declaration.
3. The Notice of 54th AGM and Annual Report 2023-24 is been uploaded in the company's website i.e. <https://bdl-india.in/annual-reports> and also on Listing Portals of the exchanges for your records.

For Bharat Dynamics Limited

N. Nagaraja
Company Secretary

54th ANNUAL REPORT
2023-24



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED



• DEDICATION • COMMITMENT • PERSEVERANCE

THE FORCE BEHIND PEACE

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

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भारत डायनामिक्स लिमिटेड, 54वाँ वार्षिक विवरण 2023-24
लोक सभा / राज्य सभा के पटल पर रखे जाने वाले प्रपत्र

अधिप्रमाणित

रक्षा राज्य मंत्री

BHARAT DYNAMICS LIMITED, 54TH ANNUAL REPORT 2023-24
PAPERS TO BE LAID ON THE TABLE OF LOK SABHA / RAJYA SABHA

AUTHENTICATED

RAKSHA RAJYA MANTRI

WHO WE ARE

Established in 1970, Bharat Dynamics Limited (BDL), is a Government of India Enterprise under the Ministry of Defence and a manufacturer of Surface to Air Missiles (SAM), Air to Air Missiles (AAM), Anti - Tank Guided Missiles (ATGMs), Torpedoes, and Allied Defence Equipments. Head Quarters of the Company is located at Hyderabad and has currently three manufacturing units, located at Kanchanbagh, Hyderabad in Telangana State, Bhanur, Sangareddy District in Telangana State and Visakhapatnam in Andhra Pradesh. BDL is in the process of setting up additional facilities at Amaravati, Maharashtra, Ibrahimpatnam, Telangana and Jhansi, Uttar Pradesh. The Company also commenced export of selected defence equipments and has entered into strategic alliances with public and private sector companies. The Company has 2401 employees as on 31 March 2024 and during the year 2023-24 reported a net sales turnover of ₹ 2369 crore. For details our products please visit our website <https://bdl-india.in/products>



Objectives

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



Vision

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



Mission

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



CORPORATE INFORMATION

CORPORATE OFFICE

Plot No.38-39, TSFC Building, Near ICICI Towers
Gachibowli, Financial District, Hyderabad-500032
Tel:-040-23456173 Fax:040-23456107
E-Mail: investors@bdl-india.in
website: <https://bdl-india.in>

REGISTERED OFFICE

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

CHIEF VIGILANCE OFFICER

Dr. Upender Vennam, IPoS

COMPANY SECRETARY

Shri N Nagaraja

SENIOR MANAGEMENT

Shri PV Raja Ram

Executive Director (KBU)
(Elevated as Director (Production) w.e.f 30/08/2023)

Cmdr. Girish Raghunath Pradhan (Retd.)

Executive Director (Mktg., BD, CS & D&E)

Shri L Kishan

Executive Director (UH-BU)
(Promoted w.e.f 01/09/2023)

Shri M Ravi

Executive Director (UH-KBU, IBU & PSG)
(Promoted w.e.f 01/09/2023)

Shri G Gayatri Prasad

Chief Financial Officer
(Appointed w.e.f 21/03/2024)

Smt V Latha

General Manager (KBU)
(Retired on 31/03/2023)

Shri SV Kameshwar

General Manager (VU)
(Retired on 30/04/2023)

Shri S Murali Mohan

General Manager (M,R &TSD)
(Retired on 31/08/2023)

Shri. M Sreedhar Rao

General Manager (NP, OP, UH-IBU)
(Retired on 31/01/2024)

Shri DV Srinivas Rao

General Manager (D&E and ED)

Shri P Veerabhadra Rao

General Manager (Finance)
(Promoted w.e.f 01/09/2023)

Shri M Vinod Kumar

General Manager (NP & OP)
(Promoted w.e.f 01/09/2023)

Shri M Dayakar Reddy

General Manager (M,R,T & C)
(Promoted w.e.f 01/09/2023)

Col. B Hari Prasad

General Manager (SAM & PSG)
(Promoted w.e.f 01/09/2023)

Shri R Simhachalam

General Manager (UH-VU)
(Promoted w.e.f 01/09/2023)

Shri N Satyanarayana

General Manager (HR)
(Promoted w.e.f 01/09/2023)

STATUTORY AUDITORS

M/s Tej Raj & Pal

Chartered Accountants

COST AUDITORS

M/s Narasimha Murthy & Co.,

Cost Accountants

SECRETARIAL AUDITORS

M/s Narender & Associates

Company Secretaries

INTERNAL AUDITORS

M/s Sarath & Associates

Chartered Accountants

M/s RSM & Associates

Chartered Accountants

M/s RK Doshi & Co. LLP.,

Chartered Accountants

M/s Komandoor & Co. LLP.,

Chartered Accountants.

TAX CONSULTANTS

M/s Bansal & Dave,

Income Tax Consultant

M/s Price water house Coopers,

GST Consultant

LEGAL ADVISORS

Smt V Uma Devi

Shri D Ravi Shankar Rao

Smt D. Radhika

BANKERS

Union Bank of India

State Bank of India

UCO Bank

Punjab national bank

ICICI Bank

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited

SEBI Registration Number: INR000002532

4E/2 Jhandewalan Extension, New Delhi-110055

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

Email: rt@alankit.com; Website: <https://www.alankit.com>

BOARD MEMBERS

(As on 30 May 2024)

CHAIRMAN & MANAGING DIRECTOR



Commodore A Madhavarao (Retd.)
CMD & Addl. Charge Director (Finance)

GOVERNMENT DIRECTORS



Shri U Raja Babu
Director General (MSS)



Shri Anurag Bajpai
Additional Joint Secretary, DDP, MoD

WHOLE TIME DIRECTOR



Shri P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
(Appointed w.e.f 30/08/2023)

INDEPENDENT DIRECTORS



Shri Sunil Chintaman Mone



Prof. (Dr.) Sanghamitra Mishra



Shri Rajendra Singh Shekhawat

COMPANY SECRETARY



Shri Nandakumar Subburaman



Dr. Pawan Sthapak



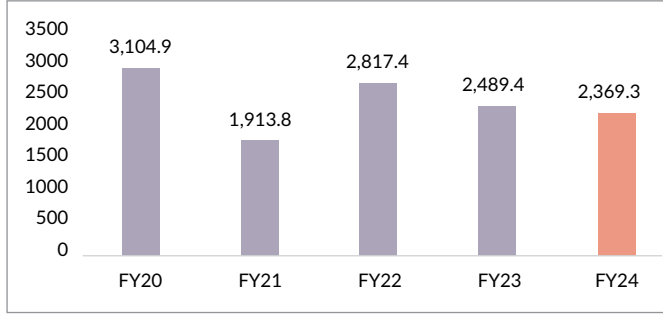
Shri Jashwant Lal



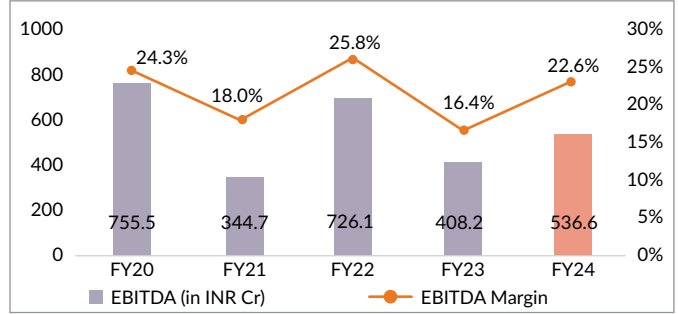
Shri N Nagaraja

FINANCIAL HIGHLIGHTS

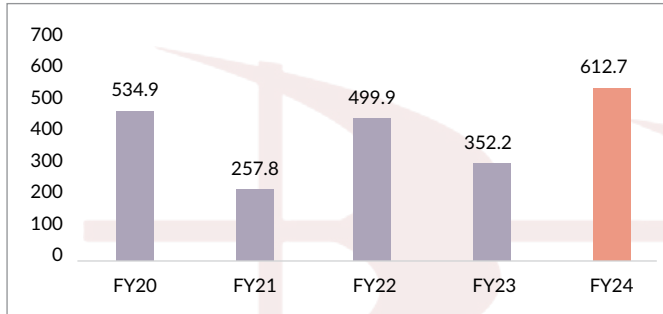
Revenue from Operations (in INR Cr)



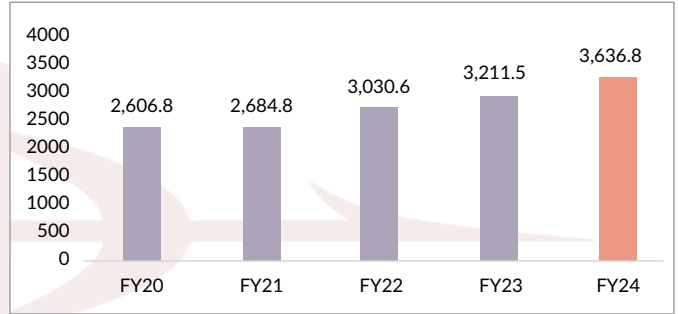
EBITDA (in INR Cr) & EBITDA Margin



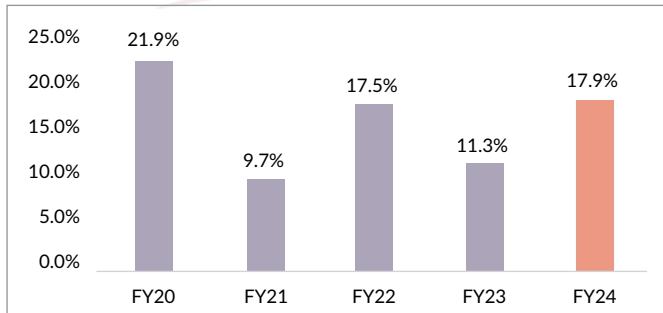
PAT (in INR Cr)



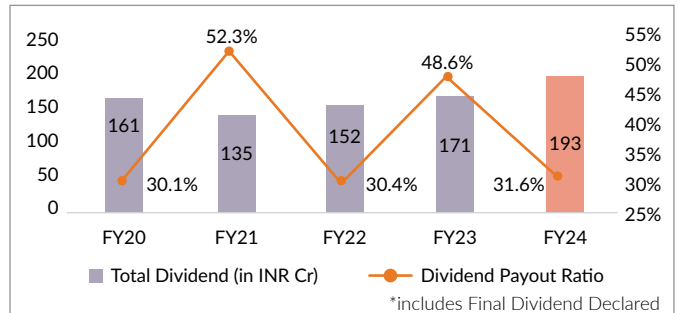
Net Worth (in INR Cr)



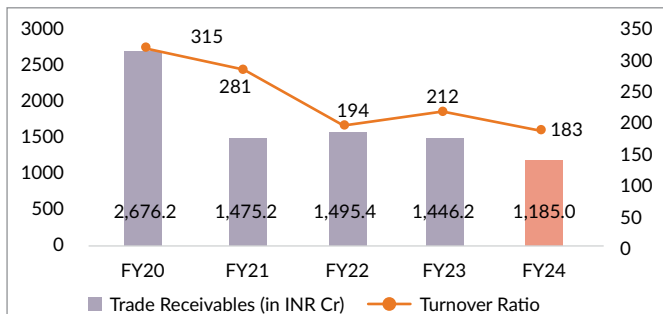
Return on Equity (in %)



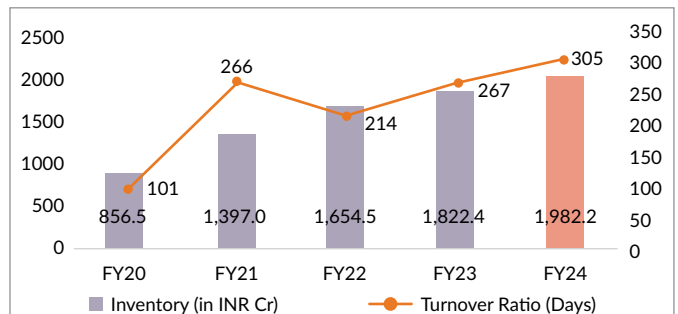
Total Dividend (in INR Cr) & Dividend Payout Ratio*



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



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



TEN YEARS AT A GLANCE

Particulars	Units	2023-24*	2022-23*	2021-22*	2020-21*	2019-20*	2018-19*	2017-18*	2016-17*	2015-16*	2014-15
Sales	₹ Cr.	2369.28	2489.39	2817.40	1913.76	3104.87~	3069.35 [⊆]	4587.60	4886.62	4159.97	2799.68
Changes in WIP/ SIT	₹ Cr.	222.63	19.04	84.36	128.91	(503.66)	165.87	53.70	124.38	137.86	(29.63)
Value of Production	₹ Cr.	2591.91	2508.43	2901.76	2042.67	2601.21~	3235.22	4641.30	5011.00	4297.83	2770.05
Material Consumption	₹ Cr.	1119.96	1210.33	1263.37	970.08	1014.09~	1818.97	2907.59	3125.23	2620.30	1855.10
Value Added	₹ Cr.	1471.95	1298.10	1638.39	1072.59	1587.12~	1416.25	1733.71	1885.77	1677.53	914.95
Profit Before Tax	₹ Cr.	828.23	481.80	709.91	340.88	742.45	671.36	773.82	802.81	847.31	614.19
Profit After Tax	₹ Cr.	612.72	352.17	499.92	257.77	534.90	422.59	528.15	524.06	564.88	418.57
Equity	₹ Cr.	183.28	183.28	183.28	183.28	183.28	183.28	183.28	122.19	97.75	115.00
Reserves & Surplus	₹ Cr.	3453.54	3028.22	2847.28	2501.47	2423.55	2085.26	1773.10	2072.79	1702.27	1418.58
Gross Block(Excl. Cap.WIP)	₹ Cr.	1496.52	1415.67	1451.08	1368.51	1291.36	1219.61	1048.62	869.66	746.38	940.04
Inventory	₹ Cr.	1982.47	1822.44	1654.45	1397.01	856.52	1664.53	1925.87	2240.42	2057.66	1480.12
Trade Receivables	₹ Cr.	1185.01	1446.23	1495.36	1475.20	2676.19~	1844.53	2208.13	1735.36	1478.22	865.72
Working Capital	₹ Cr.	6233.25	5394.18	2942.18	2378.03	2259.40	1390.38	1085.68	1569.75	2052.30	2740.34^
Capital Employed	₹ Cr.	3566.10	3155.08	2973.45	2637.01 [⊗]	3191.76	2347.34	1954.05	2326.87	2745.18	3134.20^
Net Worth	₹ Cr.	3636.82	3211.49	3030.56	2684.75	2606.83	2268.55	1956.38	2194.98	1800.02	1533.37
Number of Employees	Nos.	2401	2560	2674	2812	2950	3034	3095	3182	3132	3183
Employee Costs	₹ Cr.	600.01	532.46	570.66	501.09	534.03	534.21	529.34	448.39	326.23	313.07
Value Added per ₹ of Wage	₹	2.45	2.44	2.87	2.14	2.97~	2.65	3.28	4.21	5.14	2.92
Value Added per Employee	₹ Lakh	61.31	50.71	61.27	38.14	53.80~	46.68	56.02	59.26	53.56	28.74
Earnings per Share (EPS) for Facevalue of Rs 5 each	₹	16.72 [‡]	9.61 [‡]	13.64 [‡]	7.03 [‡]	14.59 [‡]	11.53 [‡]	13.33 [‡]	12.26 [‡]	21.37 [‡]	18.20 [‡]

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

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

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

⊗ Capital Employed for FY 2021-22 onwards is worked out as per the Guidance Note issued by ICAI on Schedule III to Companies Act 2013.

Accordingly, Capital Employed for FY 2020-21 is also changed from ₹ 3239.01 to ₹ 2637.01 but this doesnot represent any fall.

^ 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/-

Splitting of shares from ₹ 10/- to ₹ 5/- during May 2024 and accordingly EPS is readjusted in previous years for Face Value of ₹ 5/-

Chairman's Statement



6

DEAR SHAREHOLDERS,

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

I take pleasure in sharing with you the 54th Annual Report of BDL, a Company built over a period of more than five decades of spirited and perseverant efforts by a highly skilled workforce.

BDL's performance during the fiscal year 2023-24 is impressive and bears testimony to the hard work put forth by all the stakeholders involved with the company. All this was made possible despite disruptions in the operational environment and supply chain as a result of the current global scenario,

The Government of India's initiatives to make India self-reliant in providing state-of-the-art weapon systems to the Indian Armed Forces, as well as clearance for export to Friendly Foreign Countries (FFCs), have created several opportunities for BDL to grow, expand and make in-roads into new markets. BDL has set on a path to explore more opportunities and live up to the expectations of investors.

I take this opportunity to share with you the performance highlights during the last fiscal year and the future outlook for the company.

FINANCIAL AND PERFORMANCE HIGHLIGHTS OF THE YEAR:

BDL has achieved a Profit After Tax (PAT) of ₹ 613 crore this Financial Year (FY) as against a profit of ₹ 352 crore reported in the previous FY.

BDL had performed well during the last fiscal year despite many operational and technical challenges. During the fiscal year under review, BDL achieved production of ₹ 2592 crore as against ₹ 2508 crore of previous financial year and achieved a sales turnover of ₹ 2369 crore as against ₹ 2489 crore of previous financial year.

I am extremely pleased to inform you that BDL continues to pay a stable dividend. Your Board has recommended a final dividend of ₹ 0.85 per equity share of ₹ 5 each, amounting to ₹ 31.16 crore. It also brings me great pleasure to inform you that BDL has already paid an interim dividend of ₹ 8.85 per equity share (with a face value of ₹ 10 each) for the financial year 2023-2024. The total dividend declared by the company for fiscal year 2023-24 is ₹ 5.275 per share (at face value of ₹ 5 each).

PERFORMANCE VIS-A-VIS MoU:

In terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, BDL has been rated "Good" for the year 2022-23, and rating for 2023-24, it is under evaluation.

SIGNIFICANT ACHIEVEMENT:

During the year, BDL received orders worth ₹ 2076.28 crore (Gross) for supply of Anti-Tank Guided Missiles (ATGMs), Unified Launchers, Very Short-Range Air Defence System (Laser Beam Riding) VSHORADS (LBR), Unmanned Aerial Vehicle Launched Precision Guided Missiles (ULPGM), upgraded version of Akash Missiles etc.,

In addition to the above, several orders like Medium Range Surface to Air Missile (MRSAM), Invar ATGM, Helina, NAG, Smart Anti-Airfield Weapon (SAAW), Grad rockets, Refurbishment orders are expected to be received during the current financial year 2024-25.

NEW PARTNERS IN PURSUIT OF TECHNOLOGY UPGRADATION:

BDL has always prioritized technology upgrades in order to stay up with the current demands of the global defence industry. In pursuit of this, BDL has entered into MoUs or teaming arrangements with the following entities:

- MoU with M/s Godrej & Boyce Manufacturing Company Limited, to work together on the current and future weapon programs for Domestic as well as export.
- MoU with M/s VEM Technologies Private Limited, to work together as a team on programmes for indigenisation of components.
- MoU with M/s Undersea Sensor Systems Inc (Ultra) to establish a manufacturing capability at BDL in India.
- MoU with M/s Tetra Radio Systems Private Limited to design and develop various RF Components.
- MoU with Bharat Electronics Limited towards commitments to synergize strengths to jointly work in fields of R&D, Export and Indigenization & other areas of mutual interest, contributing towards India 'Atmanirbhar' in Defence.
- MoU with M/s Idea Forge for design and development of an integrated offering of weaponised UAVs in the territory of India.
- Licencing Agreement for Transfer of Technology (LAToT) with Terminal Ballistics Research Laboratory (TBRL), Chandigarh.



BDL signed a MoU with T-Hub to exploit indigenous deep tech capability towards making futuristic weapon systems. Shri Giridhar Aramane, Defence Secretary, Shri Jayesh Ranjan, Spl Chief Secretary of Ind & Commerce & IT, Cmde A Madhavarao, CMD, BDL, Shri MS Rao, CEO, T-Hub & others were present

DIVERSIFICATION PLAN:

As a part of BDL's plan for diversification, new verticals have been identified, like guided bombs, drone delivered payloads, Warhead manufacturing, engines for cruise missiles, products for space applications, and propellants, rockets which are expected to create new business opportunities for BDL.

MAJOR MILESTONES ACHIEVED:

BDL has achieved significant milestones in association with DRDO during the year, which have given a boost to the various development projects:

- Hon'ble RRM Shri Ajay Bhatt flagged off the indigenously developed and BDL manufactured Astra Missiles for supply to the Indian Air Force in January 2024 at BDL, Kanchanbagh Unit, Hyderabad.

- The last Varunastra of the current order from Indian Navy was flagged off by Dr Y Sreenivas Rao, DS & DG (NS&M) at BDL Vizag Unit in presence of dignitaries from IHQ, ENC, NSTL, NAD & NAI.



QUALITY SYSTEMS:

As a missile manufacturer that produces single-shot devices, product quality is critical, and our products must operate the first time, every time. Hence, these products require stringent quality standards and a high reliability. In pursuit of this objective, BDL is always upgrading to international quality standards. As you are aware, the production facilities at Kanchanbagh and Bhanur are already certified to the International Aerospace Quality Management Standard AS 9100D.

- Three production units (Kanchanbagh, Bhanur and Vizag) have been Re-certified with ISO 14001:2015 w.e.f April 2023 by the Certification Body M/s International certification services Pvt Ltd. This certificate is valid for 3 years.
- The Silver Award for Innovation & Quality was won jointly by BDL & DGAQA in the National level QCC competition conducted by GRSE-SODET in November 2023 in Kolkata.

RESEARCH AND DEVELOPMENT (R&D):

BDL is continuously engaged in new product development and up-gradation of existing products to meet customer requirements. As part of the same, BDL's Design & Engineering division is working on development of various projects.

CORPORATE GOVERNANCE:

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY DEVELOPMENT:

BDL is conscious of its responsibilities towards the society, and in accordance with the terms of the Companies Act of 2013, BDL has been allocating 2% of its average net income from the previous three fiscal years for CSR initiatives. CSR's primary priority areas are healthcare, nutrition, education and literacy, skill development and sanitation, PM TB Mukth Abhiyan, Sahara hostel for Veer Naaris, and so on. According to DPE guidelines, BDL has also expanded into aspirational districts and underdeveloped areas in Telangana and Andhra Pradesh to engage in corporate social responsibility (CSR). Some of the major projects taken up under CSR initiative, during the year are as follows:

- Provided job-oriented skill training in textiles, with a budget of ₹ 250 Lakh, to women at Vizianagaram district in Andhra Pradesh through the District Rural Development Agency, Vizianagaram.
- Undertook digitization of class rooms in 115 Govt. Schools at Vishakhapatnam & Vizianagaram Districts of Andhra Pradesh through Sarva Shiksha Abhiyan with a budget of ₹ 500 Lakh.
- Contributed for setting up Molecular Oncology Laboratory at MNJ Institute of Oncology & Regional Cancer Centre, Red Hills, Hyderabad with a budget of ₹ 75 Lakh.
- Supported Seva Bharathi, an NGO for conducting Mega Medical Camps at Secunderabad with a budget of ₹ 100 Lakh.
- Supported Military Hospital Secunderabad in providing much needed critical care facilities through their ICU by Provided 10 ICU Beds, with a budget of ₹ 25 Lakh.

WAY FORWARD AND FUTURE OUTLOOK:

The year 2023-24 ended with a record PAT and increased production with marginal dip in the revenues. Your company is having healthy order book position and which has reached a staggering figure of ₹ 19434 crore as of 31 March 2024. In the future, the order book position is expected to further expand as several orders are in various stages of finalization whilst the current orders will be executed in the next 4-5 years.

The current geopolitical situation prevailing in Europe and Middle East are the major setbacks for the Company which is causing delays in receipt of input materials from Foreign Original Equipment Manufacturers (FOEMs) and has impacted the performance during the year. Your company is making all efforts to counter these supply chain issues by taking up indigenization of these imports and convert the executable orders into production. Your company is in continuous talks with the FOEMs and also using all diplomatic channels to sort out the supply chain issues and ensure smooth production.

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

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

In the export market, there is lot of interest in BDL's products like Akash Weapon Systems from potential Buyers. BDL is in the process of converting the leads received into orders. In order to further consolidate the order book of the company, there is a huge emphasis laid by BDL on the necessity of realising export orders, and the company is pursuing the same aggressively. Even though our main customers are the Indian Armed Forces, Company is exploring new markets for immediate growth. Many leads are being received from our FFCs which are being pursued to be converted into firm orders. In order to sustain business and growth, BDL is focused to execute the orders within the delivery schedule with quality products at a competitive price.

BDL is also focusing on improving indigenous creation of Sub-Systems, Systems, and Services, which will allow us to build capabilities and competences. This involves investing in infrastructure development and modernization, skill training, and outsourcing to Indian industries, particularly MSMEs. We will also continue to collaborate closely with DRDO labs, research and top academic institutions, and niche technology players to develop new products and solutions for emerging technologies. Furthermore, given the increased private engagement, we are actively dealing with the Indian defense industry towards building long-term relationships and synergizing the Indian Defence Industry.

In R&D, we have increased the expenditure and extended all the support. Emphasis is being laid on timelines for R&D Projects. Accordingly, marketing efforts are put in place to generate revenue from successful R&D Projects.

ACKNOWLEDGEMENT:

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

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

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

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

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

Jai Hind!!!

Cmde. A Mahavarao (Retd)
Chairman and Managing Director &
Add. Charge Director (Finance)
DIN: 09808949

Date : 30 May 2024
Place : Hyderabad



DIRECTORS' REPORT

Dear Members,

Your Directors presents the 54th Annual Report together with the audited financial statements of the Company for the year ended 31 March 2024.

1. HIGHLIGHTS ON OPERATIONS:

- Despite facing challenging technical circumstances, your company achieved production of ₹ 2592 crore as against ₹ 2508 crore of previous financial year and achieved sales turnover of ₹ 2369 crore as against ₹ 2489 crore of previous financial year.
- The first Radio Frequency (RF) Seeker of Akash-Next Generation Weapon System produced at BDL's newly commissioned State-of-the-art Seeker Facility Centre (SFC) was handed over to Secretary, Department of Defence Research Development and Chairman DRDO on 02nd August 2023.



- Hon'ble Raksha Rajya Mantri Shri Ajay Bhatt flagged off the indigenously developed and manufactured Astra Missiles on 14 January 2024. The missile was flagged off in the presence of DG-MSS Shri U Raja Babu and other senior officials from DRDO, Indian Air Force and BDL.



- Akash Air Defence System manufactured by your company, has destroyed four unmanned targets simultaneously in operational field trials conducted on 12 December 2023. India has become the first country to demonstrate the capability of engaging four (04) targets simultaneously by a command guided Missile.
- Your company has participated in Vayu Shakti Exercise 2024 held in Pokhran on 17 February 2024 and witnessed the successful firing of Akash Surface to Air Missile.

2. FINANCIAL RESULTS AND PERFORMANCE HIGHLIGHTS:

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2023-24	2022-23	
Sales/Revenue from Operations	2369	2489	(5%)
Value of Production	2592	2508	3%
i) Import Material Consumed	148	345	(57%)
ii) Indigenous Material Consumed	972	865	12%
Total Material Consumed	1120	1210	(7%)
Value Added	1472	1298	13%
Profit Before Tax	828	482	72%
Profit After Tax	613	352	74%
Earnings per share# (in Rupee)	16.72	9.61	74%

EPS has been calculated based on profits excluding the other comprehensive income and number of shares outstanding at the end of the year is adjusted for the impact of sub division of 1 fully paid up equity share having a face value of ₹ 10 each into 2 fully paid up equity shares having a face value of ₹ 5 each

2.2 Following data reflect the financial position of the Company:

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2023-24	2022-23	
Gross Block (Excl. CWIP)	1497	1416	6%
Accumulated Depreciation	673	607	11%
Net Block	824	809	2%
Working Capital (Net)	6233	5394	16%
Capital Employed	3566	3155	13%
Net Worth	3637	3211	13%

*Figures have been reclassified and regrouped, wherever necessary.

2.3 During the year under review, your company has achieved revenue from operations of ₹ 2369 crore, compared to ₹ 2489 crore in the previous financial year. The reduction in turnover is primarily due to the current geopolitical situation in Europe and the Middle East, which has affected the company's supply chain for certain critical input materials.

Despite the decrease in revenue, the profit before tax (PBT) increased significantly to ₹ 828 crore, a 72% rise compared to ₹ 482 crore in the previous year. The profit after tax (PAT) amounted to ₹ 613 crore, marking a 74% increase from the previous year's ₹ 352 crore. The EBITDA margin also improved, standing at 22.64% compared to 16.39% in the previous financial year. This increase in margins is mainly attributed to enhanced manufacturing activities, changes in the product mix and realization of certain amounts from the customer.

The major products executed during the year are ATGMs, Akash-SAM, Varunastra and MR-SAM. The order book position of the company as on 31 March 2024 is about ₹ 19434 crore.

2.4 Future Outlook:

As of March 31, 2024, your company has a robust order book position, reaching an impressive ₹ 19434 crore. We anticipate this figure to grow as several orders are in the finalization stages. Additionally, our active promotion in international markets has borne fruit, converting some export leads into confirmed export orders with friendly foreign countries, with execution already in progress.

The current geopolitical climate in Europe and the Middle East has posed significant challenges, particularly in the timely receipt of input materials from Foreign Original Equipment Manufacturers (FOEMs). This has impacted our company's performance over the year. We are vigorously addressing these supply chain issues by engaging in continuous talks with FOEMs and leveraging all available diplomatic channels to ensure smooth production.

To reduce our dependency on FOEMs, we have placed a strong emphasis on indigenization across all programs. Our efforts have led to the indigenization of 98 critical items previously imported, yielding significant foreign exchange savings. With an average indigenization percentage between 80-90%, we have successfully reduced import costs and enhanced our ability to offer competitively priced products to the Indian Armed Forces.

As part of our diversification strategy, we are venturing into the space technology sector. The Indian space sector, valued at approximately US\$ 9.6 billion in 2020, contributes 2-3% to the global space economy. It is expected to grow to \$13 billion by 2025, with aims to capture close to 10% of the global space economy by 2030. We believe that this sector holds substantial long-term potential.

The Government of India's 'Atmanirbhar Bharat Abhiyan' continues to promote self-reliance in defense manufacturing, periodically issuing a Positive Indigenization List of components. The fifth such list, focusing on import substitution of critical components, was released after extensive consultations with stakeholders. This initiative is expected to translate into firm orders over the next five to ten years.

With a healthy order book and extensive experience, our company is well-positioned to face upcoming challenges. The future outlook appears promising, bolstered by our indigenization efforts and strategic diversification into the space technology sector.

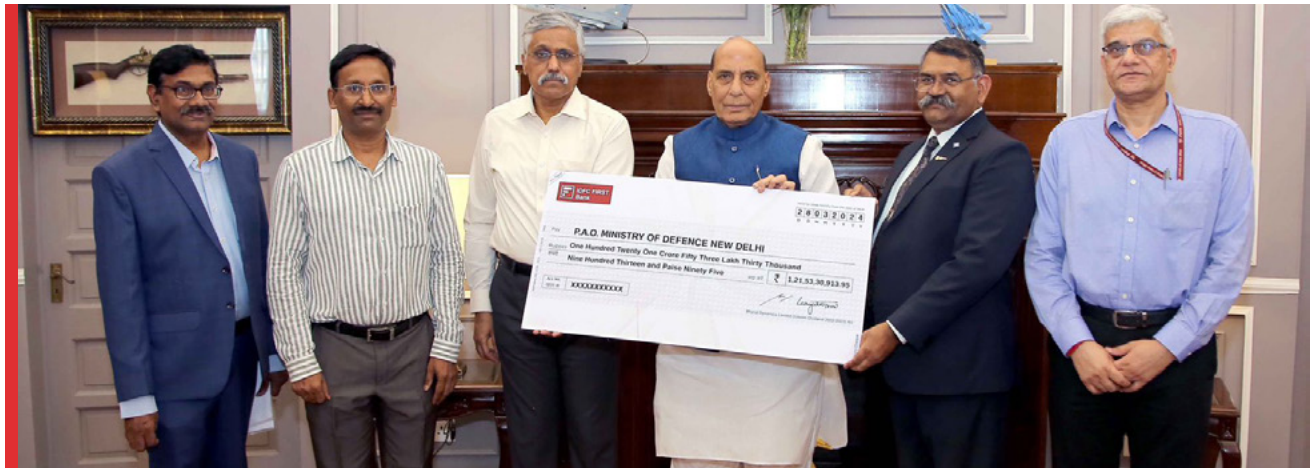
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3. FIXED DEPOSITS FROM PUBLIC:

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 ₹ 0.85/- per equity share of face value of ₹ 5/-each amounting to ₹ 31.16 crore for the year 2023-24. Further, your Company has paid interim dividend of ₹ 8.85 per share (at face value of ₹ 10/- each) amounting to ₹ 162.20 crore for the financial year 2023-24. An amount of ₹ 400 crore is being transferred to General Reserve for the year 2023-24.



Comde. A Madhavarao (Retd), Chairman & Managing Director, BDL presented the cheque for Rs.121.53 crore being the interim dividend pertaining to the Government of India shareholding in BDL, to Shri. Rajanath Singh, Hon'ble Raksha Mantri at New Delhi. Shri Giridhar Aramane, Secretary (Defence Production), Shri T. Natarajan, Additional Secretary (Defence Production), Shri Shalabh Tyagi, Joint Secretary (P&C) and Shri Gayatri Prasad, CFO, BDL were also present on the occasion

5. CAPITAL STRUCTURE:

The paid up capital of the Company as on 31st March, 2024 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 2024. The Company has neither issued equity shares with differential rights nor any sweat equity shares.

As on 31 March 2024, the Govt. of India shareholding in the Company stands at 74.93% (representing 137,325,527 equity shares of ₹ 10/- each).

Sub-division of shares

During the year, as per the Department of Investment & Public Asset Management (DIPAM), Govt of India Guidelines, the Company pursuant to the resolution passed by the Shareholders of the Company through postal ballot on April 25, 2024, has sub-divided the existing 1 equity share of the Company of face value of ₹ 10/- each fully paid up into 2 equity shares of face value of ₹ 5/- each fully paid w.e.f. May 24, 2024 being the record date. Accordingly, new ISIN INE171Z01026 has been activated in place of the INE171Z01018.

The revised authorised and paid-up capital of the Company w.e.f May 24, 2024 is as under:

- a) Authorized Share Capital is ₹ 200,00,00,000/- (Rupees Two Hundred Crore Only) divided into 40,00,00,000 (Forty Crore) Equity Shares of face value of ₹ 5/- (Rupees Five Only) each.
- b) Issued, paid-up and subscribed Share Capital is ₹ 1832812500 (Rupees One Hundred Eighty-Three Crore Twenty-eight Lakh Twelve Thousand Five Hundred Only) divided into 366562500 (Thirty-Six Crore Sixty-Five Lakh Sixty-Two Thousand Five Hundred) Equity Shares of face value of ₹ 5/- (Rupees Five Only) each

Further, consequent upon the aforesaid Split / Sub-division, all the Shareholders of the Company as on May 24, 2024 i.e. Record Date have been issued fully paid up equity shares having face value and paid up value of ₹ 5/- (Rupees Five) each as per their entitlement on that date.

6. SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:

Under Defence Testing Infrastructure Scheme (DTIS) promulgated by Department of Defence Production, Ministry of Defence, the Board has approved to form a joint venture to incorporate a Section 8 Company under Companies Act, 2013 between consortium of five (5) Companies namely Bharat Dynamics Limited, Mishra Dhatu Nigam Limited (MIDHANI), Hindustan Aeronautics Limited, Yantra India Limited and PTC Industries Limited along with Uttar Pradesh Expressways Industrial Development. The consortium is being led by MIDHANI. The purpose of the Joint Venture is for Development, Operation and Management of Defence Testing Infrastructure (DTI) of Mechanical and Material Tests under Defence Testing Infrastructure Scheme (OTIS) promulgated by Ministry of Defence.

Further, the Board of Directors have also approved to incorporate another Joint Venture (i.e. Section 8 Company under Companies Act, 2013) along with five other members namely Bharat Dynamics Limited, Bharat Electronics Limited, Hindustan Aeronautics Limited, India Optel Limited and Tamil Nadu Industrial Development Corporation Limited. The consortium is being led by M/s. Bharat Electronics Limited. The purpose of the Joint Venture is for Development, Operation and Management of Defence Testing Infrastructure for Electronic Warfare under Defence Testing Infrastructure Scheme (OTIS) promulgated by Ministry of Defence.

7. 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 2022-23 was rated as "Good" and the performance for the year 2023-24 is under evaluation.

8. MODERNIZATION & UPGRADATION:

During the year, an amount of ₹ 81.93 crore has been spent towards Capital Expenditure (CAPEX) programme for the modernization of Plant & Machinery and other infrastructure development. The majority of this amount was dedicated to establishing the infrastructure work for establishment of propellant plant at Jhansi, infrastructure work for Phase-II at Ibrahimpatnam, integration facility at Vizag and commissioning of warhead facility. Additionally, your company has planned to spend approximately ₹ 100 crore during the current financial year 2024-25 on various CAPEX programmes, including construction of Jhansi Unit and Phase-II infrastructure development at Ibrahimpatnam.

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

9. RESEARCH & DEVELOPMENT:

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

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

Particulars	2023-24	2022-23	2021-22
Sales Turnover (Gross) (₹ in Cr)	2369.28	2489.39	2817.40
R&D expenditure (₹ in Cr)	75.37	152.03	48.14
R&D expenditure as % of Sales Turnover	3.18%	6.11%	1.71%
PBT	828.24	481.80	709.91
R&D expenditure as % of PBT	9.10%	31.55%	6.78%

10. PROCUREMENT FROM MSMEs:

In compliance with the Procurement Policy of the Government of India, your company has surpassed the mandated procurement requirement of 25% from Micro, Small, and Medium Enterprises (MSMEs). During the year 2023-24, your company procured 27.70 % of goods and services, amounting to approximately ₹ 450.38 crore, from MSMEs out of its total procurement of ₹ 1625.92 crore. By achieving the mandated target of 25% from MSMEs, your company has demonstrated its commitment to supporting and promoting the growth of these enterprises.

Vendor Development:

Your company endeavors to expand its vendor base through special drives and by offering free registration in certain cases and on specific occasions. Throughout the year, your company conducted 9 vendor meets (including 2 SC/STs and 1 Women), resulting in increase in vendor base during the financial year under review. Furthermore, your company has implemented an updated Integrity Pact in accordance with the directives of the Central Vigilance Commission's latest circular issued on 25th January 2022, and adheres to the Standard Operating Procedure outlined therein. Your company has procured goods & services to the tune of 3.22% (of total procurement) from Women MSM enterprises, thus surpassing the 3% target set for such procurement. The procurement from SC/ST owned MSE stood at 1.71 % (of total procurement).

Government e Market Place (GeM):

Your company registered as both a Buyer and Seller with the Government e-Marketplace (GeM). GeM is utilized for procuring common items and services. Your company has successfully procured goods and services worth about ₹ 5841.7 crore (Gross Merchandise Value) with staggered deliveries raised in FY 2023-24. Your company has exceeded the GeM target of ₹ 1602 crore set in FY 2023-24. This demonstrates your company's active engagement and utilization of GeM for streamlined procurement processes.

11. EXHIBITIONS:

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



Hon'ble President of India Smt Droupadi Murmu was briefed about BDL products by CMD, BDL Cmde A Madhavarao (Retd) at BDL pavilion during an exhibition organized by Aeronautical Society of India at New Delhi, in November 2023



Delegation from General Authority of Military Industries, Saudi Arabia visited BDL stall during Egypt Defence Expo - 2023 on December 5, 2023. Cmde. A Madhavarao (Retd), CMD, BDL briefed about BDL products showcased at the exhibition.



Hon'ble Minister of State for Defence Procurement, UK being briefed about BDL products by Cmde Girish R Pradhan, Executive Director, BDL during DSEI-2023 at London, on 14 September 2023



Defence Minister, Egypt and his Officials visited BDL stall during Egypt Defence Expo at Cairo. He was briefed about BDL products by Cmde A Madhavarao (Retd), CMD, BDL.



12. EXPORTS:

Your company has placed significant emphasis on the export of Weapon Systems. To explore the export potential of its products, identify potential markets, and pursue export opportunities, an export cell has been established within the Business Development Division of BDL. The products offered by your company are state-of-the-art, designed indigenously, competitively priced, and not heavily reliant on any foreign Original Equipment Manufacturers (OEMs). With existing facilities, your company is well prepared to meet both domestic and export demands. Several leads have been received from various friendly foreign countries for the export of products such as the Akash Weapon System, ATGMs, Air to Air Missile (Astra), Smart Anti-Airfield Weapon, Helina (Air-to-Surface Weapons), Light Weight Torpedo, Heavy Weight Torpedo (Underwater weapons), Counter Measures Dispensing System, and Anti-Submarine Warfare Suite (Counter Measure Systems) etc. These leads are actively being pursued by the export cell, which is engaged in interactions with overseas customers to achieve export targets. As a result, your company has secured orders for the export of Light Weight Torpedoes, Counter Measures Dispensing System, ATGM, and Akash Weapon System from friendly foreign countries. Channel Partners/Agents have been appointed in several countries to promote your company's exportable products. Your company has also participated in various Foreign Defence Exhibitions to showcase its products and facilitate one-on-one meetings with participants from the Armed Forces/Ministries of Defence of other countries. To strengthen international engagement, BDL is working closely with Indian Embassies/Defence Attaches to arrange meetings and visits with stakeholders from foreign countries. Furthermore, plans are underway to open Representative Offices in foreign countries. As of 31 March, 2024, the total export order book of BDL stands at ₹ 2420 crore, reflecting the growing success in the international market.

13. ATMA NIRBHAR BHARAT & INDEGENISATION:

Your company is making significant strides towards achieving self-reliance in defense manufacturing as part of the Atmanirbhar Bharat initiative. From the moment a contract is signed, your company's focus is on indigenizing the technology, particularly in manufacturing of missiles under Technology Transfer (ToT) agreements with DRDO and foreign OEMs. ToT from foreign OEMs is only 60%, however your company has managed to indigenize more than 80% to 90% of many products. For DRDO designed products, the indigenization level exceeds 90%, showcasing your commitment to increasing self-reliance.

To support these efforts, your company utilizes the SRIJAN Portal, an indigenization platform by the Ministry of Defence. Your company has uploaded 1197 items, including all imported items, on this portal. Of these, vendors have shown interest in 440 items, and 98 items have been declared indigenized. By providing necessary technical support, your company encourage MSMEs to produce quality items which is further boosting indigenization efforts. Your company is also fostering collaboration with startup companies, identifying problem definitions for them to work on and develop solutions. MoUs are being signed with these companies to support their growth and create business opportunities.

Furthermore, the Ministry of Defence has issued a 4th Positive Indigenized List (PIL) of DDP Indigenization as part of the continuous effort towards self-reliance in defence manufacturing under the 'Atmanirbhar Bharat Abhiyan'. From the 4 PILs issued till date, 56 items belong to BDL that will be procured from the Indian industry within specified timelines. Out of the total 56 items, your company has achieved indigenization for 44 items and balance items are under various stages of Indigenisation. Additionally, on October 04, 2023, Hon'ble Raksha Mantri has released a 5th Positive Indigenization list of 98 Defence products of highly complex systems, sensors, weapons and ammunitions for indigenization by Defence Public Sector Undertakings (DPSUs), with an embargo on imports beyond the indicated timelines. Out of these 98 products, 3 products belong to your company, providing an opportunity for your company to scale up its operations.

Your company's participation in the Innovation for Defence Excellence (IDEX) programme have forged a strategic partnership, aligning with Government's vision of "Atmanirbhar Bharat". This partnership resulted in creation of a robust eco-system wherein your company works with aspiring entrepreneurs and MSMEs to advance innovation and R&D capabilities of the Company. Your company has been actively participating in a number of IDEX initiatives, like Open Challenges (OC) and the Defence India Startup Challenges (DISC). Your company is presently hand-holding startups for projects such as 'Scalable Wireless Communication Network Modules for Autonomous Mobile Platforms', 'Visual Image-Based Seeker' and which are at various stages of completion.

Through these initiatives, your company continues to harness industrial experience and the ingenuity of home-grown startups, driving groundbreaking innovations and contributing significantly to the Atmanirbhar Bharat mission.

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

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

14.2 Total manpower strength as on 31 March 2024 is at 2401 (including two functional directors). Out of the total strength, 80 are ex-servicemen, 483 are of Schedule Caste, 206 are of Scheduled Tribes, 801 are of OBC category and 7 are of EWS category. The percentage of Scheduled Caste and Scheduled Tribes in respect of Employees is at 20.12% and 8.58% respectively.

14.3 The No. of Scheduled Caste, Scheduled Tribes, OBC and EWS in various categories of posts as on 31 March 2024 is given below:

Category	Number of Employees									
	Total Strength		Scheduled Castes		Scheduled Tribes		OBC		EWS	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Group-A	768	805	147	149	84	86	201	187	7	4
Group-B	1	2	0	0	0	0	1	1	0	0
Group-C	1472	1571	291	304	111	109	539	525	0	0
Group-D	149	171	41	46	11	14	58	66	0	0
Temporary	11	11	4	4	0	0	2	2	0	0
Total	2401	2560	483	503	206	209	801	781	7	4

14.4 Recruitment of employees in Scheduled Caste, Scheduled Tribes, OBC, EWS during 2023-24 is given below:

Classification of posts	Total Vacancies Released	Total Recruitment made	Reservation of posts				Recruitment made during the year 2023-24			
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			SCs	STs	OBC	EWS	SCs	STs	OBC	EWS
Group-A	68	34	10	6	15	6	6	3	9	3
Group-B	3	0	0	0	1	0	0	0	0	0
Group-C	0	0	0	0	0	0	0	0	0	0
Group-D	0	0	0	0	0	0	0	0	0	0
Total	71	34	10	6	16	6	6	3	9	3

14.5 Employment of Women:

As per the recommendation No.51, Para (ii)(a) of the National Commission for Women (NCW) in its Annual Report for the year 1995-96, the employment position of Women as on 31 March 2024 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	1	-	-
II	135	29	21.48
III	65	6	9.23
IV	231	36	15.58
V	134	20	14.93
VI	137	15	10.95
VII	53	3	5.66
VIII	8	-	-
IX	3	-	-
Functional Directors	1	-	-
CMD	1	-	-
Total	769	109	14.17

II. Non-Executives

Grade	No. of Employees	Women	Percentage
WG-0	-	-	-
WG-1	3	-	-
WG-2	16	2	12.50
WG-3	90	13	14.44
WG-4	104	18	17.31
WG-5	163	15	9.20
WG-6	280	27	9.64
WG-7	130	27	20.77
WG-8	205	27	13.17
WG-9	31	4	12.90
WG-10	97	5	5.15
WG-11	18	-	-
WG-12	484	44	9.09
Total	1621	182	11.23

14.6 Persons with Disabilities (PWD) as on 31 March 2024:

The total number of Physically Challenged employees as on 31 March 2024 is 98 and its percentage to total employees works out to 4.08%.

	VI	HI	LD	MD	Total
Group-A	7	7	12	1	27
Group-B	0	0	0	0	0
Group-C	8	18	37	0	63
Group-D	3	2	3	0	8
Total	18	27	52	1	98

HI- Hearing Impaired, LD-Locomotive Disability, VI-Visually Impaired, MD-Multi Disability

15. HUMAN RESOURCE DEVELOPMENT:

During the FY 2023-24, your company has demonstrated a strong commitment to employee development by conducting various training programs for both Executives and Non-Executives. A total of approximately 1,692 employees participated, resulting in 4,370 training man-days. These programs, conducted both in-house and at external agencies, aimed to enhance skills and knowledge, while also fulfilling statutory requirements.

Key Training Programs and Initiatives:

1. Mid-Career Development Programme (MCDP):

- Duration: Two weeks (31.05.2023 to 14.06.2023)
- Target Group: Mid-level executives (managers, senior managers, deputy general managers) with over 15 years of service and more than one year remaining.
- Focus: Transition from operational roles to managerial roles, including Preventive Vigilance as per CVC guidelines

2. Vigilance Awareness Week Trainings:

- Conducted during October and November 2023.
- Structure: Two-phase training. Phase 1 involved training by CVO-BDL and subject matter experts (Train the Trainer). In Phase 2, these trained executives trained others.
- Themes: Role of Inquiry Officer/Presiding Officer in departmental enquiries, Public Procurement, Systems and Procedures, Cyber Hygiene, Ethics and Governance

3. Effective Workplace Communication Workshop:

- Duration: 2-day workshop in 11 batches across all units.
- Participants: Entry to mid-level managers (assistant managers, deputy managers, managers).
- Focus: Communication and presentation skills, with participants making presentations at the end of the workshop.
- Outcome: Increased employee engagement and positive feedback.

4. In-house Workshops on Financial Wellness and Diversity Inclusion:

- Conducted on 11.03.2024 as part of Women's Day celebrations.
- Special Workshop for Persons with Benchmark Disabilities (PwBDs): Held on 03.12.2023, on International Day of Disabled Persons.
- Focus: Enhancing knowledge on financial wellness, promoting diversity, and inclusion.

These initiatives aimed to enhance executives' understanding of internal systems and procedures, improve interpersonal communication and presentation skills, and ultimately enable them to perform their roles more effectively, contributing to the company's success.

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 ₹ 2.76 crore during the year under report towards foreign travel for business trips.

18. INDUSTRIAL RELATIONS AND EMPLOYEE WELFARE:

Your company maintains cordial and harmonious industrial relations through the cooperation of all employee sections, including the Recognized Trade Union and associations for SC, ST, OBC, Ex-Servicemen, and Officers. Statutory and non-statutory committees like the Works Committee, Safety Committee, Canteen Managing Committee, and Welfare Committee play a key role in maintaining workplace discipline.

Compliance with statutory welfare provisions is strictly followed. The Post Superannuation Medical Benefit Scheme addresses the medical needs of retired employees and their families. The Recognized Trade Union and all associations fully support the management, ensuring the smooth functioning of the organization.

19. SECURITY:

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

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

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

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

20. SAFETY:

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

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

Industrial safety audits are conducted by the Joint Chief Inspector of Factories, Telangana State, and any observations made are duly addressed. Annual explosive safety audits are conducted by the Centre for Fire, Explosive & Environment Safety (CFEES) in New Delhi, and necessary actions are taken based on their observations.

The 53rd National Safety Day Campaign was observed from March 4 to March 10, 2024. Various activities were conducted throughout the week, including the administration of safety pledges at workstations, distribution of safety badges, display of safety day banners, and competitions such as safety slogans, essays, and elocutions in Hindi, Telugu, and English. Safety quizzes and demonstrations on basic first aid and firefighting were also organized as part of safety promotional activities.

In terms of training programs, both in-house and external training sessions are regularly conducted for employees on industrial and explosive safety.

21. ENVIRONMENT AND POLLUTION CONTROL:

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

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

Your company demonstrates a strong commitment to environmental sustainability and compliance with regulations through various initiatives and certifications. Here are the key environmental management practices and measures in place across all three units—Kanchanbagh, Bhanur, and Visakhapatnam:

Environmental Management Practices:

1. ISO 14001:2015 Certification:

- All units are recertified with ISO 14001:2015 (EMS) to assess pollution levels and ensure compliance with legal requirements.

2. Waste Management:

- Plastic Use Reduction: Issued a circular to discourage the use of plastics.
- E-waste and Hazardous Waste: Disposed of through agencies registered with the Pollution Control Board.
- Solid Waste: Disposed of through M/s MSTC, a government undertaking, specifically ferrous and non-ferrous metals.
- Biomedical Waste: Disposed of through an agency registered with the Pollution Control Board.
- Housekeeping: Proper practices are maintained to ensure a clean and safe environment.

3. Zero Liquid Discharge System:

- Effluent Treatment: Treated water from the effluent treatment plant undergoes further treatment through reverse osmosis (RO).
- Usage of Treated Water:
 - RO treated water is utilized in the Demineralized Water (DM) plant for producing DM Water.
 - DM Water is used in the Electroplating Shop, CNC machines, and flow forming machines in the Workshops.
- Gardening: Treated water from the sewage treatment plant is used for gardening within the premises.

4. Audits and Monitoring:

- Internal and Surveillance Audits: Conducted at regular intervals by certification bodies for all units.
- Environmental Parameters Monitoring:
 - Ambient air quality, stack quality of DG sets/venturi scrubbers, sewage treatment plants, and effluent treatment plants.
 - Noise levels tested as per specified frequencies.
- Resource Monitoring: Water quantity monitored using separate water meters and electricity consumption is tracked to comply with consent conditions.

By implementing these measures, your company demonstrates a robust approach to environmental sustainability, ensuring compliance with environmental regulations and promoting responsible waste management and resource utilization.

Celebration of WORLD ENVIRONMENT DAY – 2023:

Your company celebrated World Environment Day 2023 with great enthusiasm across all units, emphasizing environmental awareness and sustainable practices. Here's a detailed account of the activities and initiatives undertaken:

World Environment Day 2023 Activities:

1. Celebration and Competitions:

- **Date:** June 6, 2023
- **Theme:** "Beat Plastic Pollution"
- **Activities:**
 - Banners displayed at prominent locations.
 - Sapling plantation.
 - Slogan, essay writing, and quiz competitions based on the theme.
 - Prizes distributed to winners during the valedictory function.

2. Mission LiFE (Life for Environment) Awareness Program:

- **Mass Awareness Program:** Organized as per the directions of the Ministry of Defence.
- **Activities Performed Across All Units:**
 - **LiFE Center Setup:** Collection centers for old clothes, books, and utensils were established, with items distributed to the poor and orphanages.
 - **Bicycle Rallies:** Organized to promote the LiFE mission and encourage eco-friendly transportation.
 - **Rainwater Harvesting:** Construction of rainwater harvesting structures to conserve water.
 - **Plastic Collection Drive:** Initiatives to collect and properly dispose of plastic waste.
 - **LiFE Awareness Modules:** Inclusion of mandatory LiFE awareness modules in training programs to educate employees on environmental sustainability.

By celebrating World Environment Day with these comprehensive activities, your company has shown a strong commitment to environmental sustainability, addressing plastic pollution, and promoting the Mission LiFE initiative. These efforts contribute to raising awareness and encouraging sustainable practices among employees and the broader community.



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Based on the theme, the Kanchanbagh, Bhanur and Visakhapatnam units conducted slogan, essay and quiz competitions. Employees participated with great enthusiasm.



Kanchanbagh and Bhanur units have constructed rain water harvesting pit to improve ground water table under LIEF (Life for Environment).



A guest speaker Shri. D. Narender, Sr. Environmental Engineer, TSPCB, delivered lecture based on this year theme covering environmental awareness on plastic pollution. He also expressed to reduce the plastic use and follow the government guidelines on single use plastics.



Posters and banners are displayed at prominent places of Bhanur Unit and Township for spreading awareness about World Environment Day-2023.



Bhanur Unit has organised plastic collection drive inside the premises as per theme "Beat Plastic Pollution" on this occasion.



Bhanur Unit has organised awareness program on solid waste management by Gandipet Welfare Society, Hyderabad and handed over cloth bags to employees as a part of mass awareness program as per theme "Beat Plastic Pollution" on this occasion.



Cmdr. Girish Raghunath Pradhan (Retd.), ED (Unit Head-BU) inaugurated tree plantation along with Core Team Members at Bhanur Unit.



Shri.R.Simhachalam, Unit head - Vizag has inaugurated tree plantation at Visakhapatnam. Senior Executives, Union Representatives and employees also participated in the plantation programme.

22. QUALITY:

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

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

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

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 In compliance to 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 Parliamentary Committees and delegations are prepared in bilingual form and submitted. First Sub-Committee of Parliamentary Committee on Official Language inspected and reviewed the OL implementation in BDL-Visakhapatnam Unit on 11th July, 2023. The Committee appreciated the efforts being put in the area of implementation of OL by BDL, Visakhapatnam Unit.

23.3 In compliance to the assurances and directives of Parliamentary Committee on OL, 'A series of Hindi Workshops' were organized on 12th June, 2023, 05th September, 2023, 22nd November, 2023, 05th December, 2023, 06th February, 2024 and 05th March, 2024 for Higher Officials of the Organization. During these Workshops, fulfilling the assurances given to Parliamentary Committee on OL and its action plan was discussed and implemented later. Also, the use of "Kanthasth 2.0" a memory based translation software developed by Department of Official Language, Gol was also discussed with its hands on training for effective implementation of OL in day-to-day functioning.

23.4 An "Orientation Program on OL Policy" was organized on 01st November, 2023 for newly joined Management Trainees. DGM (HR-OL) oriented the trainee officers on "Official Language Policy of Govt. of India" and explained the role of executives in implementation of OL Policy. He appealed all the participants to use Hindi in day-to-day functioning.

23.5 To promote the original writing in Hindi in Technical and Non-Technical areas with detail coverage of OL activities of the Organization, a dedicated Hindi e-Magazine of the Organization titling "BDL BHARATI" was released and issued by CMD & Chairman, OLIC on 26th March, 2024.

23.6 Hindi Fortnight was celebrated from 14th to 27th September, 2023 at Corporate Office and also at Units. During the fortnight, various competitions were conducted for the Officers and Employees of Corporate office, Kanchanbagh Unit, Bhanur Unit & Visakhapatnam Unit besides participation in "Hindi Diwas & 3rd All India OL Conference" organized by DOL, MHA, Gol from 14th to 15th September at Pune, Maharashtra. Valedictory Program of Hindi Fortnight in the Organization was conducted on 27th September, 2023 under the chairmanship of CMD. On this occasion, Directors, Unit Heads of all the Units along with higher officials participated. Cash Awards were presented to the winners of the competitions, Officers and Employees for doing original work in Hindi during the year.

- 23.7** Town Official Language Implementation Committee of PSUs (TOLIC), Hyderabad consisting of 36 PSUs as its Member Offices, was awarded with "DAKSHIN KSHETRIYA NARAKAS RAJBHASHA SAMMAN" under Region 'C' for best implementation of Official Language for the year 2022-23. The award consists of 'Rajbhasha Shield' was presented by Shri Ajay Kumar Mishra, Hon'ble Minister of State for Home Affairs received by Shri N Srinivasulu, Retired Director (Finance), BDL in presence of Cmde A Madhavarao, CMD, BDL & Chairman, TOLIC (U). The Shield along with Commendation Certificate to Shri Homnidhi Sharma, Dy. General Manager (HR-OL) and Member Secretary, TOLIC (U) for his outstanding contribution at a glittering function held at HAL, Bangalore. It was a seventh occasion that the committee has been awarded with "Kshetriya Rajbhasha Puraskar" at Regional level for functioning of TOLIC (U) by BDL.
- 23.8** As coordinating office of TOLIC (U) consisting 36 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 29th May, 2023. During the Meeting 20th Issue of 'PATHIK', the House Journal of the Committee was released. The second half yearly Meeting was organized on 27th October, 2022. During the Meeting, TOLIC Shield / Trophy/ Cup and Best Magazine awards for the year 2022-23 were presented. Both the Meetings were chaired by CMD, BDL & Chairman, TOLIC (U).
- 23.9** Under the auspice of TOLIC (U), a Joint Hindi Workshop for small Member Offices of Town Official Language Implementation Committee was organized on 23rd January, 2024. Under the auspice of TOLIC (U) an "Orientation Program on OL" was organized for Office Heads, Administrative Heads, Hindi officers and staff members of Member Offices of TOLIC (U) on 30th January, 2024.
- 23.10** On the occasions of Republic Day, Independence Day Celebrations, Vigilance Awareness Week, Swatchata Pakhawada, and Constitution Day Programs were organized in Hindi & English. 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 part in Inter PSU Competitions conducted by TOLIC (U) and won FOUR prizes.
- 23.11** 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, 'Hans' are subscribed regularly. Besides this, popular Hindi books on all subjects are also purchased annually with similar 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 14 Systemic Improvement Suggestions in the areas of e-reverse auction, Recruitment, Departmental Promotion, Reservation, Sensitive Area Rotation, Civil works and Service Contracts 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 as a prelude to observance of Vigilance Awareness Week-2023, various preventive vigilance measures were undertaken in 3-month campaign mode across units of the Company during 16.08.2023 to 15.11.2023 in the following focus areas:
- Awareness building about Public Interest Disclosure and Protection of Informers (PIDPI) Resolution
 - Capacity Building programs
 - Identification and implementation of Systemic Improvement measures
 - Leveraging of IT for complaint disposal
 - Updation of Circulars/Guidelines/Manuals
 - Disposal of complaints received before 30.06.2023
- 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.



A compendium of CVC Circulars – 2023 (Vol.III)' and a booklet on 'Systemic Improvements suggested by Vigilance Dept., & Action taken by the Management (Vol-II)' were released by Shri P Daniel, IDES, Secretary, CVC during his visit to BDL, Kanchanbagh on 18.10.2023.

- 24.4** As part of the observance of Vigilance Awareness Week during the campaign period on invitation from BDL, Shri P Daniel, IDES, Secretary, CVC, visited Kanchanbagh Unit of BDL on 18.10.2023. On his maiden visit to the Company, Shri P Daniel was briefed about BDL by Commodore A. Madhavarao (Retd.), Chairman & Managing Director, BDL. A presentation was made by Dr. Upender Vennam, IPoS, Chief Vigilance Officer about the vigilance activities at BDL and the preventive vigilance activities being undertaken in campaign period. In his key note address to the gathering of senior management executives, Secretary, CVC appreciated the vigilance initiatives of BDL. He underlined the need for transparency and enhancing awareness among the employees about vigilance. While highlighting the importance of observation of Vigilance Awareness Week, the Secretary exhorted all to be vigilant about irregularities and blow whistle.
- 24.5** Observation of Vigilance Awareness Week is an integral part of the Vigilance department. As directed by the Central Vigilance Commission, Vigilance Awareness Week (VAW)-2023 with the theme “**भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें**”, “Say no to corruption; commit to the Nation” was observed across units of Bharat Dynamics Limited from 30.10.2023 to 05.11.2023. The observance of VAW-2023 commenced with Commodore A. Madhavarao (Retd.), Chairman & Managing Director (CMD), BDL administering 'integrity pledge for citizens' at 11 AM on 30.10.2022 at BDL-Kanchanbagh Unit. Employees of Corporate Office, Bhanur Unit, Visakhapatnam Unit and Ibrahimpatnam Unit participated in the ceremony through video-conference and took integrity pledge. This was followed by reading out messages of Hon'ble President of India, Hon'ble Vice-President of India, Hon'ble Prime Minister of India by Directors and message of CVC by CVO to the august gathering. The program was live across units of the Company through video conference. A total of 2727 employees of BDL have taken the Integrity Pledge during observance of vigilance awareness week.
- 24.6** 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-2023. 'Integrity pledge for Citizens' was administered to the students. Special emphasis was given to involve youth in various activities and as a part of it Debates on topics related to anti-corruption were conducted in colleges in Hyderabad and Visakhapatnam.
- 24.7** As part of Vigilance Awareness Week – 2023, Sensitization programs for employees on matters relating to the Role of IO & PO, Ethics and Governance, Public Procurement, Cyber Hygiene and security, Systems and Procedures of the Organization, Complaint Policy of CVC and Disciplinary Proceedings procedure etc. were conducted across units of the company.
- To spread awareness on the theme of “**भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें**”, “Say no to corruption; commit to the Nation” and to sensitize employees of BDL and public at large, banners on the theme were displayed at conspicuous places across units of the Company and in public places too. To promote citizens to take CVC 'e-integrity pledge', a link of CVC website was hosted in the BDL website. Short telephonic messages were sent to all employees encouraging to be a part of “Vigilance Awareness Week-2023” and to take integrity pledge clicking the link <http://pledge.cvc.nic.in>



Vigilance Awareness Week-2023 Banner along with posters on the provisions of Public Interest Disclosure and Protection of Informers (PIDPI)

24.8 In order to spread the messages to public about the ill-effect of corruption on society and the importance of self-reliance & integrity in life, a walkathon was organized by Bhanur Unit at Shankarpally Municipality on 31.10.2023. As part of involving students and youth in the vigilance awareness campaign, students of the Scheduled Caste Hostel of the Shankarpally Municipality took part in the walkathon. Shri L Kishan, GM (Unit Head-Bhanur Unit) and Shri S Govinda Rajulu, AGM (Vigilance) flagged-off the walkathon along with representatives of the Municipality. Public were apprised of the need to ensure integrity in their day-to-day life and commit to the development of the Nation by saying 'no' to corruption. Placards and banners with slogans on ill-effects of corruption were displayed.

24.9 A Vendor Meet was organized by Corporate Commercial Dept. of BDL on 06.11.2023 at Kanchanbagh Unit, wherein, vendors from across India were invited to be a part of business prospects of BDL and more than 160 vendors participated. Cmde. A. Madhavarao (Retd.), CMD, BDL inaugurated the meet and spoke on the importance of contribution of vendors in the success of BDL. Company's Independent External Monitors Shri J K Khanna, IPS (Retd.) and Shri.A. Sehshagiri Rao, IRSSE (Retd.) participated in the meet and addressed the gathering. On this occasion, CVO, Dr. Upender Vennam administered 'integrity pledge for citizens' to vendors and emphasized on Multiple Vendor Development to reduce dependency, increase competitiveness and to ensure transparency and accountability. Videos and Jingle-2023 on PIDPI shared by Hon'ble CVC were played in the vendor meet.



4th edition of "CHETANA"- annual vigilance newsletter was released during valedictory function of VAW-2023 by Chief Guest Shri Ravi Gupta, IPS, Director General, Anti-Corruption Bureau, Telangana on 07.11.2023

24.10 The observance of Vigilance Awareness Week-2023 concluded with a valedictory function organized on 07.11.2023 at Kanchanbagh Unit of the Company. Shri Ravi Gupta, IPS, Director General, Anti-Corruption Bureau, Telangana graced the occasion as Chief Guest and delivered a key note address to the employees. Shri Ravi Gupta shared his experience with the audience and emphasized on how saying 'no' to corruption in personal life can lead to the development of our Nation. The program was attended by CMD, Directors, CVO and other senior executives. The dignitaries motivated the employees to practice ethical behavior at all times and contribute towards Organization and Nation building.

25 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY:

Your company has zero tolerance approach to bribery and corruption. Your company prohibits all forms of bribery and corruption whether involving, but not limited to Government Officials or a Private Sector persons or Company and whether directly or indirectly. The Board of Directors had approved a policy on Anti-Bribery and Anti-Corruption and the same was hosted on website of the Company <https://bdl-india.in/sites/default/files/2024-04/BDL%20ACAB%20Policy.pdf>

26 BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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-M000I(II)/1/2018-D(BDL) dated 03 January 2022 and a letter No. No.DDP-M0001(11)/1/2018/D(BDL) dated 24.02.2023 appointed Independent Directors as Part-time Non-Official Directors 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, Shri.P.Radhakrishna, Director (Production) and Shri. N.Srinivasulu, Director (Finance) superannuated on 30 June 2023 and on 31 January 2024 respectively, and their term as Director on the Board of BDL concluded upon their superannuation. The Board expresses its gratitude for their valuable contributions made during their tenures.

26.5 Ministry of Defence, Government of India has assigned the additional charge of the post of Director (Finance) to Cmde. A. Madhavarao, CMD and additional charge of the post of Director (Technical) to Shri.PV.Raja Ram, Director (Production).

26.6 Consequent to cessation of Shri N. Srinivasulu as Director (Finance) and Chief Financial Officer on 31 January 2024, Shri G. Gayatri Prasad General Manager (Finance) who is heading the Finance Department of the company is appointed as Chief Financial Officer of the company (KMP) w.e.f 21 March 2024.

26.7 In accordance with the provisions of Section 152 of the Companies Act, Shri.PV.Raja Ram, Director (Production), retires by rotation at the upcoming Annual General Meeting and, being eligible, offers himself for reappointment.

26.8 **Number of Meetings of Board:**

During the year 2023-24, five (5) Board Meetings were held on 25 May 2023, 04 August 2023, 03 November 2023, 24 January 2024, 21 March 2024.

26.9 **Performance Evaluation:**

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

26.10 Committees of the Board

The following are the statutory Committees constituted by the Board and they function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report.

27. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- Directors 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 2024 and of the profit of the Company for the year ended on that date.
- 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.
- Directors have prepared the annual accounts on a going concern basis.
- 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
- 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:

There are no material changes and commitments affecting the financial position of the company which have occurred between 31 March 2024 and date of signing of this Report.

30. AUDIT COMMITTEE:

During the year 2023-24, four Audit Committee meetings were held to review internal control systems and their adequacy, including coverage of Audit functions. Details of composition, terms of reference, etc., are covered in Report on Corporate Governance. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

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. The Board of Directors of your Company has Board Level Committee on Corporate Social Responsibility and Sustainable Development (CSR & SD) (please refer Corporate Governance Report) in line with the provisions of Section 135 of the Companies Act, 2013. The Committee has formulated and recommended CSR Policy to the Board indicating the projects/activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- 31.2** Your Company has been very conscious about its responsibilities towards society. Your Company has also ventured into backward/ under developed areas in Andhra Pradesh and Telangana to undertake Corporate Social Responsibility (CSR) activities by sponsoring various schemes.
- 31.3** The core areas of focus under CSR are Health Care, Nutrition, Education & Literacy, Skill Development & Sustainable Livelihoods, Sanitation, Safe Drinking Water etc. Your company also adopted villages in Andhra Pradesh and Telangana State under Corporate Social Responsibility initiative and the focus is on the necessities of human life—health, water and other conveniences.
- 31.4** The CSR and SD activities are monitored periodically by the Committee and a detailed annual report on CSR and SD activities undertaken during the year 2023-24 is enclosed at **Annexure-I**.
- 31.5** During the year 2023-24, the CSR & SD obligation was ₹ 936.94 lakh. Against the total CSR obligation, the company has incurred an expenditure of ₹ 1017.73 lakh and achieved 100% CSR target amount required under the provisions of Companies Act, 2013. CSR activities being undertaken are placed on Company's website <https://bdl-india.in/sites/default/files/2023-07/Board%20approved%20CSR%20Projects%20for%20the%20FY%202023-24.pdf>



BDL observed one month long Swachhata Campaign 3.0 across all its units and offices as a tribute to Mahatma Gandhi. Cmde A Madhavarao (Retd), CMD, BDL participated in Shramdaan along with Directors, senior executives and employees of the Company on Gandhi Jayanti.

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 constituted a Risk Management Committee. The details of Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report.

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 <https://bdl-india.in/annual-reports>.

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 <https://bdl-india.in/sites/default/files/2023-06/Policy%20on%20Related%20Party%20Transactions.pdf>

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. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company, being a Defence PSU, the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended) is not required as the Ministry of Corporate Affairs vide Notification GSR No.680 (E) dated 4 September 2015 has granted exemption to Defence Public Sector Undertaking.

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 is being 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. Tej Raj & Pal, Chartered Accountants, Hyderabad were appointed as Statutory Auditors of the Company for the financial Year 2023-24 by the Comptroller & Auditor General of India. The Auditors have audited the Accounts and does not contain any qualification, reservation or adverse remarks.

The Auditors' Report on the financial statements for the financial year 2023-24 and the Comments of Comptroller and Auditor General of India (C&AG) under Section 143 (6) of the Companies Act, 2013 are appended to the Annual Report.

Cost Auditor:

Your Company appointed M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors for the FY 2023-24 for the audit of the cost records of the Company. The Company maintains cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of its manufacturing activities.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), the Company has appointed M/s.Narender & Associates, Practicing Company Secretaries (PCS Registration No.5024) for the financial year 2023-24 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended to the Annual Report.

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 - II**.

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

42.2 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-III**.

42.3 Quarterly and Yearly compliance reports on Corporate Governance are being forwarded to Stock Exchanges and MoD in the prescribed format.

42.4 The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

42.5 No proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

42.6 There has been no change in the nature of business of the Company.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified in the Company. In line with the Guidelines received from time to time, necessary actions have been taken to prevent Sexual Harassment of Women at Workplace. The BDL CDA Rules applicable to Officers and the Certified Standing Orders applicable to Workmen have the required provisions in this regard. The Internal Complaints Committees as per Section 4 of the Act have been put in place. During the year 2023-24, your Company has received 01 (One) Sexual harassment complaint. Accordingly, the Internal Complaints Committee has conducted the inquiry, disposed the same and submitted the report to the Management.

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 <https://bdl-india.in/sites/default/files/2023-05/Information%20on%20BDL%20Mandatory%20disclosures%20in%20Accordance%20with%20RTI%20May%202023.pdf>. It contains general information of the Company, functions, powers and duties of employees/officers, decisions making process, rules, regulations, manuals and records held by the Company, directory of the Company's Officers, pay scales of officers/ employees and procedure for seeking information and inspection of records. The Company has nominated a Central Public Information Officer (CPIO) of Senior Manager Level to attend to queries and appeals.

During the year 2023-24, the CPIO has received 171 applications/queries, out of which 160 applications have been disposed-off and 1 (one) application is transferred to other Public Authority. 10 (Ten) RTI queries are under process. Further, out of 14 appeals received, 13 are disposed-off by Final Appellate Authority and 01 (one) is under process as on 31 March 2024.

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 https://bdl-india.in/sites/default/files/2020-01/Whistle%20blower%20Policy%20%26%20Vigil%20Mechanism_0.pdf. The policy inter-alia provides a direct access to the Chairman of the Audit Committee.

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

46. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility and Sustainability Report ("BRSR report") as part of the Annual Report based on market capitalization. In terms of amendment to regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). The BRSR shall be mandatory for top 1000 companies (by Market Capitalization) with effect from financial year 2023-24.

Your Company has prepared a comprehensive policy framework for BRSR report, after studying the SEBI (LODR) Regulations, 2015 requirements and keeping in view the business and governance environment in which BDL as a Defence PSU operates. The Company's BRSR report for the year is available on the BDL's website at <https://bdl-india.in/site/default/files/BRSR-2023-24.pdf>

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

48. ACKNOWLEDGEMENT:

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

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

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

For and on behalf of the Board



Cmde. A Madhavarao (Retd.)
Chairman & Managing Director &
Add. Charge Director (Finance)
DIN: 09808949

Place : Hyderabad
Date : 30 May 2024

ANNEXURE - I

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

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

Some of the major projects are:

- Mid-day meal for School Children studying in Government School of TS and AP.
- Fitment of Cochlear Implants to the Children with Hearing Impairment through ALIMCO of Telangana and Andhra Pradesh State
- Smart Classrooms in Govt. High Schools at Vizianagaram District and Visakhapatnam, District of AP.
- Mega Health Camps in Secunderabad area, TS
- Molecular Oncology Lab at MNJ & Regional Cancer Centre, Hyderabad
- Job Oriented training in textiles for women at Vizianagaram District, AP

BDL was awarded "Global CSR Excellence & Leadership Awards in recognition of "Quality of Education" and "Concern for Health".

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Rajendra Singh Shekhawat	Chairman of the Committee / Independent Director	3	3
2	Shri. Sunil Chintaman Mone	Member of the Committee / Independent Director	3	3
3	Prof. (Dr) Sangamitra Mishra	Member of the Committee / Independent Director	3	3
4	Shri. Nanda Kumar Subburaman	Member of the Committee / Independent Director	3	3
5	Dr. Pawan Sthapak	Member of the Committee / Independent Director	3	3
6	Shri. Jaswanth Lal	Member of the Committee/ Independent Director	3	3
7	Shri. P. Radhakrishna (Ceased w.e.f 01 July 2023)	Member of the Committee / Director (Production)	1	0
8	Shri. P.V.Raja Ram (Appointed w.e.f 03 November 2023)	Member of the Committee/ Director (Production)	1	1

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

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

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

CSR Provision for the FY 2023-24 is ₹ 936.94 lakh. The details of the projects executed during 2023-24 are as follows:

(₹ In Lakh)

S.No.	Description	Budget	Expenditure
1	Mid day meal program through Akshaya Patra Foundation Govt. School Children of TS & AP	150.00	143.66
2	Infrastructure facilities for commissioning of Oxygen Generator Plant at Chevella Hospital and Vikarabad Govt. Hospital, TS	99.5	4.77
3	Smart Class rooms in Government schools of Vizianagaram District (Aspirational Dist.), AP	300.00	150.00
4	Smart Class rooms in Government schools of Visakhapatnam District (Aspirational Dist.), AP	200.00	98.79
5	Establishment of Molecular Oncology Dept - Procurement of Equipment at MNJIO & Regional Cancer Centre, Hyderabad TS	75.00	5.00
6	Fitment of Cochlear Implants to the Children with Hearing Impairment through ALIMCO of Telangana and Andhra Pradesh State	335.00	83.75
7	Job oriented skill development training program to rural women in textile processing in Vizianagaram District, AP	240.00	100.00
8	Three Health Camps at Secunderabad Area, Telangana State, by Seva Bharathi, Kachiguda, Hyderabad	100.50	100.50
9	Contribution to Trees Translocation at MCEME, Secunderabad, TS by Uniglobe Development Foundation.	2.75	2.75
10	Dokra Craft development Project in Asifabad (Aspirational Dist.), TS	47.65	16.62
11	Terracotta Handicraft Development Project in Asifabad (Aspirational Dist.), TS	28.70	12.45
12	Critical care Beds to Military Hospital, Secunderabad, TS	25.00	24.65
13	"Food Delivery Vehicle" to The Akshaya Patra Foundation at Visakhapatnam, AP	17.50	11.95
14	Stipend paid to the Apprentices (i.e over and above of 2.5% minimum mandate under Apprentice Act, 1961)		228.63
15	Administrative Overheads (including Impact Assessment expenses)		34.21
TOTAL		1621.6	1017.73

Impact Assessment of the CSR Projects available on website <https://bdl-india.in/reports>

5. (a) Average net profit of the company as per section 135(5): ₹ 52206 lakh
 (b) Two percent of average net profit of the company as per section 135(5): ₹ 1044.12 lakh
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any: ₹ 107.18 lakh
 (e) Total CSR obligation for the financial year ((b+c-d)): ₹ 936.94 lakh
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing project): ₹ 983.52 lakh
 (b) Amount spent in Administrative Overheads: ₹ 32.01 lakh
 (c) Amount spent on Impact Assessment, if applicable: ₹ 2.20 lakh
 (d) Total amount spent for the Financial Year [(a+b+c+)]: ₹ 1017.73 lakh

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

Total amount spent for the FY (in ₹).	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per Sub-section(6) of section 135		Amount transferred to any fund specified under Schedule VII as per second provision to Sub-section (5) of Section 135		
	Amount (in ₹)	Date of Transfer	Name of the fund	Amount (in ₹)	Date of Transfer
₹ 1017.73 Lakh	Nil	N/A	Nil	Nil	N/A

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

Sl.No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	936.94 lakh
(ii)	Total Amount spent for the financial year	1017.73 lakh
(iii)	Excess Amount spent for the financial year (ii)-(i)	80.79 lakh
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous Financial years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	80.79 lakh

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

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Balance Amount to Unspent CSR Account under Sub-section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount Transferred to a fund as specified under Schedule VII as per second provision to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount in (₹)	Date of Transfer		
1	2022-23	Nil	N/A	Nil	Nil	N/A	Nil	N/A
2	2021-22	NIL	N/A	Nil	Nil	N/A	Nil	N/A
3	2020-21	Nil	N/A	Nil	Nil	N/A	Nil	N/A

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

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

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

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset (s)	Date of creation	Amount of CSR spent (Figures in ₹)	Details of entity / Authority / beneficiary of the registered owner
1	Critical Care Beds	500015	29 Feb 2024	24.65 lakh	Military Hospital, Military Hospital Road, Tirumalagiri, Secunderabad, Telangana State
2	Food Delivery Vehicle	531 163	28 Mar 2024	11.95 lakh	The Akshaya Patra Foundation, 8-13, Gambheeram Village, Anandapuram Mandalam, Vizakhapatnam.
3	Equipment to MNJIO & RCC, Hyderabad	500 004	15 Sep 2024	5.00 lakh (70 lakh released during previous FY)	11-5, 399 Red Hills, Lakdikapul, Hyderabad- 500 004 (Telangana State)
4	Infrastructure for commissioning of Oxygen Plant at Chevella	501 503	11 Jan 2024	4.77 lakh (75 lakh released during previous FY)	CHC, Chevella, Ranga Reddy Dist., Telangana State (Telangana Health Department)
5	Smart Class Rooms (Digital Equipment to Govt. Schools), Visakhapatnam, AP	530020	20 Oct 2023	98.79 lakh (100 lakh released during previous FY)	Various Govt. Schools at Visakhapatnam District
6	Smart Class Rooms (Digital Equipment to Govt. Schools), Vizianagaram, AP	535003	07 Feb 2024	150 lakh	Various Govt. Schools at Vizianagaram District

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



Cmde. A Mahavarao (Retd)
Chairman and Managing Director &
Add. Charge Director (Finance)
DIN: 09808949

Date : 30 May 2024
place : Hyderabad



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



"Global CSR Excellence & Leadership Award" by World CSR Day



"Molecular Oncology Lab" inaugurated at MNJ & RCC, Hyderabad



"Job Oriented Textile Training for Women" at Vizianagaram



"Critical Care Beds" presentation ceremony at "Military Hospital" Secunderabad



Management Discussion & Analysis

Forward looking statements

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

1. BHARAT DYNAMICS LTD – AN OVERVIEW

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

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

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

1.1 Indian Defence Industry

India is one of the strongest military forces in the world and holds a place of strategic importance for the Government of India. India is the third largest military spender and has positioned itself as a key player in the global defence industry. The Indian defence manufacturing industry is a significant sector of the economy and may likely to accelerate due to current geo-political situations.

The Government of India has identified the Defence and Aerospace sector as a priority area for the 'Atmanirbhar Bharat' or Self-Reliant India initiative. This initiative focuses on establishing indigenous manufacturing infrastructure supported by a robust research and development ecosystem. Today India is gradually becoming a manufacturing hub for various Global Original Equipment Manufacturers (OEMs). Government is developing a strong base of domestic defence industrial ecosystem to make India a strategic economy. As a result, India is becoming a vital junction for global supply chain for aerospace and defence components and parts. The main factor behind the growing hub for these supply chain is the existing technical know-how, talent pool and low-cost yet best quality product creation. Also the geographical positioning of India enables the global OEMs and its suppliers to easily manufacture indigenously and thereafter export. One key advantage contributing to India's attractiveness as a manufacturing hub is its skilled and youthful workforce. This demographic dividend provides a strong foundation for driving growth in the Aerospace and Defence (A&D) market. The government has launched various initiatives to promote self-reliance in Defence Manufacturing, with the goal of enhancing domestic production and making India a net exporter in the field.

India for the first time has restricted the import of arms, where it has issued five positive indigenization lists, under which 509 such defence equipment have been identified, whose manufacturing will now be done indigenously. In addition, it also issued 4 positive indigenization lists of Defence Public Sector Undertakings, in which 4,666 items have been identified which will now be manufactured in India only.

The value of defence production in Financial Year (FY) 2022-23 has crossed the figure of ₹ 1 lakh crore for the first time ever. It was ₹95,000 crore in FY 2021-22. The Government is continuously working with defence industries and their associations to remove the challenges faced by them and promote defence production in the country. A number of policy reforms have been

taken to achieve the objective of ease of doing business, including the integration of MSMEs and start-ups into the supply chain. Due to these policies, the industries, including MSMEs and start-ups, are forthcoming in defence design, development & manufacturing and there is almost a 200% increase in the number of defence licenses issued to the industries in the last 7-8 years by the Government.

Through consistent policy initiatives of the Government and tremendous contribution of the defence industry, defence exports reached an all-time high of ₹ 21,083 crore in FY 2023-24, marking a 32.5% growth from the previous financial year and tenfold increase since 2016-17. India now exports to over 85 countries.

As per the press release issued by the Ministry of Defence, during the year 2023, Defence Acquisition Council has approved total proposals worth about over ₹ 3.50 lakh crore in order to enhance the operational preparedness of the Armed Forces. The Defence Budget has touched ₹ 6,21,540.85 crore in the Financial Year 2024-25 to meet the twin objectives of promoting self-reliance and exports. This comes out to be 13.04% of total Union Budget, which was presented in Parliament on February 01, 2024.

The budgetary allocation to Defence for the FY 2024-25 is higher by approx. one lakh crore (18.35%) over the allocation for the FY 2022-23 and 4.72% more than allocation of FY 2023-24. Of this, a major share of 27.67% goes to capital, 14.82% for revenue expenditure on sustenance and operational preparedness, 30.68% for Pay and allowances, 22.72% for defence pensions and 4.11% for civil organisations under Ministry of Defence.

Budgetary allocation for capital expenditure in Defence for FY 2024-25 is ₹ 1.72 lakh crore which is 20.33% higher than the actual expenditure of FY 2022-23 and 9.40 % more than the revised allocation of FY 2023-24. The allocation has been in line with the Long Term Integrated Perspective Plan (LTIPP) of the three Services aimed to fill the critical capability gaps through modernisation of the Armed Forces by materialising some big ticket acquisitions in FY 2024-25. These increased allocations reflect the government's commitment to sustainable enhancement in modernisation and infrastructure development, aligned with the objectives of 'Atmanirbhar Bharat'.

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

1.2. Indigenization

The Ministry of Defence has taken numerous steps for self-reliance in the defence sector and Positive Indigenization Lists is one of the most important transformative reforms in pursuit of Indigenization. It is one of the key constituents of the Government's 'Atmanirbhar Bharat Abhiyan' to transform the defence sector to achieve self-reliance and boost exports with the active participation of the public and private sector. The Department of Military Affairs (DMA) had earlier promulgated four Positive Indigenization Lists comprising 411 military items. Separately, the Department of Defence Production (DDP) has notified four Positive Indigenization Lists consisting of a total of 4,666 items, including Line Replacement Units/Sub-systems/ Spares & Components for Defence Public Sector Undertakings (DPSUs).

The Ministry of Defence has issued a 04th Positive Indigenised List (PIL) of DDP Indigenization as part of the continuous effort towards self-reliance in defence manufacturing under the 'Atmanirbhar Bharat Abhiyan'. From the 4 PILs issued till date, 56 items belong to BDL that will be procured from the Indian industry within specified timelines.

Out of the total 56 items, your company has achieved indigenization for 44 items and balance items are under various stages of Indigenization. Additionally, on October 04, 2023, Hon'ble Raksha Mantri released a 5th Positive Indigenization List of 98 Defence products of highly complex systems, sensors, weapons, and ammunition for indigenization by Defence Public Sector Undertakings (DPSUs), with an embargo on imports beyond the indicated timelines. Out of these 98 products, 3 (three) belong to your company, providing an opportunity for your company to scale up its operations.

Furthermore, BDL and the Innovation for Defence Excellence (IDEX) programme have forged a strategic partnership, aligning with Government's vision of "Atmanirbhar Bharat". This partnership resulted in the creation of a robust eco-system wherein your company works with aspiring entrepreneurs and MSMEs to advance innovation and R&D capabilities of the company.

Your company has been actively participating in a number of IDEX initiatives, such as Open Challenges (OC) and the Defence India Start-up Challenges (DISC). Your company is presently handholding start-ups for projects such as 'Scalable Wireless Communication Network Modules for Autonomous Mobile Platforms', and 'Visual Image-Based Seeker' at various stages of completion.

Besides harnessing the vast industrial experience and the potential ingenuity of home-grown start-ups to drive ground breaking innovations, the BDL-IDEX partnership continues to create an enabling environment towards achieving self-reliance in defence sector.

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

2.2 Manufacturing facilities

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

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

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

2.3 Order Book

Our current order book as on 31 March 2024 is about ₹ 19434 crore.

2.4 Financial Performance

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2023-24	2022-23	
Sales/Revenue from Operations	2369	2489	(5%)
Value of Production	2592	2508	3%
i) Import Material Consumed	148	345	(57%)
ii) Indigenous Material Consumed	972	865	12%
Total Material Consumed	1120	1210	(7%)
Value Added	1472	1298	13%
Profit Before Tax	828	482	72%
Profit After Tax	613	352	74%
Earnings per share# (in Rupee)	16.72	9.61	74%

EPS has been calculated based on profits excluding the other comprehensive income and number of shares outstanding at the end of the year is adjusted for the impact of sub division of 1 fully paid up equity share having a face value of ₹ 10 each into 2 fully paid up equity shares having a face value of ₹ 5 each

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2023-24	2022-23	
Gross Block (Excl. CWIP)	1497	1416	6%
Accumulated Depreciation	673	607	11%
Net Block	824	809	2%
Working Capital (Net)	6233	5394	16%
Capital Employed	3566	3155	13%
Net Worth	3637	3211	13%

*Figures have been reclassified and regrouped, wherever necessary.

iii) Key Financial Ratios:

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

Particulars	FY 2023-24	FY 2022-23	Change (in %)	Explanation for change of 25% or more
Debtors Turnover Ratio (times)	9.57	10.19	(6%)	
Inventory Turnover Ratio (times)	1.25	1.43	(13%)	
Interest Coverage Ratio (times)	Nil	Nil	-	-
Current Ratio (times)	3.07	3.45	(11%)	
Debt Equity Ratio (times)	Nil	Nil	-	-
Operating Profit Margin (%)	20%	13%	54%	Increase is mainly due to change in product mix, higher Interest Income and refund received from customer during the year
Net Profit Margin (%)	26%	14%	86%	
Return on Net worth (%)	18%	11%	64%	

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. As the company is engaged in defence production, exemption was granted from applicability of Accounting Standard on segment reporting under section 129 of companies Act, 2013 vide Notification dated 23rd February 2018 of Ministry of Corporate Affairs and also under SEBI disclosures vide their letter no. SEBI/HO/CFD/DIL1/OW/P/2017/18400/1 dated August 03, 2017.

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 Indigenization 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 Gol could adversely impact BDL's business.
- Higher dependency on single customer i.e. Ministry of Defence (MoD)
- Cancellation of orders can weaken the order book and future revenue.
- Opening up of the Defence sector.

2.7 Key Strategies

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

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

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

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

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

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

2.7.4 Improving Processes: The Company also intends to carry out process improvements, with the aim of improve our productivity and efficiency of its operations and thereby lower costs.

2.7.5 New Generation Weapons: BDL intends to leverage its experience to develop weapons such as new generation SAMs, ATGMs, Air to Air Missile System, heavyweight torpedoes and Drone Delivered Bombs which will enable the Company to further increase its revenues. BDL is also the joint development partner-cum production agency with the DRDO for the next generation of ATGMs, Air to Air Missile and SAMs. BDL has also entered into several MoUs and non-disclosure agreements with various companies for developing new products and transfer of technologies.

2.7.6 Exports: BDL primarily caters to the requirements of the Indian armed forces. With encouragement from Government of India, BDL is actively exploring export markets. Further, with the Cabinet Committee on Security (CCS) clearing regarding clearance of Akash Weapon System for Export to nine countries, BDL is geared up to take up the export orders. BDL has already received export orders from few friendly countries and the export order book position is ₹ 2420 crore as on 31 March 2024. BDL is therefore set to expand its customer base in the international market. BDL has adequate production facilities to cater to the domestic as well as export demand for its products. BDL is consistently pursuing with potential overseas customers for export of its products.

3. RISKS AND CONCERNS:

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

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

Having rich expertise in this business and a well-established infrastructure, the 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. Moreover, the Company also kept various diversification plans in place which includes entering into Space Technology and its related products and services.

3.2 Policy Risk: Compliance with regulatory requirements and adherence to quality standards are paramount in the defence industry. The Company must ensure strict compliance with regulations and certifications to maintain credibility and trust with its customers. The company is also subject to a number of procurement rules and regulations of the MoD, Government regulations and other rules and regulations. The Company's business could be adversely affected in case of any sudden and unforeseen changes in the applicable rules. Restrictions on current and future export of the products and other regulations could adversely affect BDL's business, results of operations and financial conditions

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

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

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

3.4 Supply Chain Management Risk: Efficient supply chain management is critical for timely delivery and cost control. BDL needs to optimize its supply chain processes and establish robust partnerships with suppliers to enhance operational efficiency. Company is dependent on multiple key Original Equipment Manufacturers ("OEM") for subassemblies/ components, single source suppliers and sub-contractors. Any failure on the performance of any of them could have a material impact on Company's operations

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

3.5 Technology Risk: To thrive in a rapidly changing environment, BDL should foster a culture of innovation, agility, and adaptability. Embracing emerging technologies and trends while addressing evolving customer needs will be essential for long-term sustainability. BDL manufactures products that incorporate advanced technologies. The introduction of new products and technologies involves risks and the Company may not realize the degree or timings of benefits initially anticipated.

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

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

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

5.1 The manpower strength of the Company as on 31st March 2024 is as under:

Particulars	Non-Executives	Executives	Temporary	Total
Male	1439	660	7	2106
Female	182	109	4	295
Total	1621	769	11	2401
Previous Year	1742	807	11	2560

During the FY 2023-24, your company has demonstrated a strong commitment to employee development by conducting various training programs for both Executives and Non-Executives. A total of approximately 1,692 employees participated, resulting in 4,370 training man-days. These programs, conducted both in-house and at external agencies, aimed to enhance skills and knowledge, while also fulfilling statutory requirements. The key training programs and initiatives are Mid-career development programmes, vigilance awareness week trainings, Effective Workplace Communication Workshop, In-house Workshops on Financial Wellness and Diversity Inclusion. These initiatives aimed to enhance executives' understanding of internal systems and procedures, improve interpersonal communication and presentation skills, and ultimately enable them to perform their roles more effectively, contributing to the company's success.

5.2 Industrial Relations

The Company places great importance on maintaining positive working relations between management and trade unions, striving to create a congenial environment within the organization.

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

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

6. ENVIRONMENTAL MEASURES:

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

To ensure environmental protection, the company operates effluent treatment plants and sewage treatment plants. These facilities play a vital role in treating and managing wastewater and sewage generated by the company's operations. Additionally,

the company actively engages in various environmental conservation activities such as water conservation, tree plantation, proper disposal of hazardous waste and metal scrap, and landscaping. These initiatives contribute to preserving natural resources and reducing the environmental impact of the company's activities.

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

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

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

7. FOREIGN EXCHANGE CONSERVATION

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

8. FUTURE OUTLOOK

Looking forward, the future outlook of your company remains promising. We are steadfast in our dedication to innovation and technological advancement, leveraging our expertise to address the evolving needs of the defence industry. Through strategic partnerships, diversification initiatives, and continuous improvement efforts, we aim to capture new opportunities and expand our market presence both domestically and internationally.

BDL recognizes the critical necessity of optimizing its production lines to enhance efficiency and productivity. By streamlining processes and integrating cutting-edge technologies, BDL endeavours to elevate its manufacturing capabilities, ensuring timely delivery without compromising on quality standards.

Committed to fostering a culture of innovation, BDL engages in collaborative efforts with design agencies to co-develop new projects. By staying at the forefront of technological advancements, BDL endeavours to deliver next-generation defence solutions that cater to the evolving needs of modern warfare.

BDL actively pursues offset projects to introduce state-of-the-art technologies to India's defence landscape. By incorporating new technologies currently unavailable in the country and through continuous in-house R&D initiatives, BDL contributes to strengthening India's indigenous defence capabilities and fostering technological self-reliance.

Recognizing the significance of obsolescence management, BDL provides comprehensive life cycle support for its products. Through proactive maintenance and upgrades, BDL ensures the longevity and effectiveness of its defence systems, thereby safeguarding national security interests.

While we anticipate challenges ahead owing to global economic conditions or geopolitical uncertainties, we are confident in our ability to overcome them with resilience and determination. Our strong financial position, good order book, anticipated orders in the pipeline, coupled with the dedication and talent of our workforce, provide a solid foundation upon which to build a prosperous future for BDL and deliver sustainable value to our stakeholders.

For and on behalf of the Board



**Cmde. A Madhavarao (Retd.)
Chairman & Managing Director &
Add. Charge Director (Finance)
DIN:09808949**

**Place : Hyderabad
Date : 30 May 2024**

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.

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 2024.

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 2024, the Board of Directors of the Company consists of two Whole Time Directors including Chairman and Managing Director, two Part-time Official Directors (Government Nominee Directors) and Six Part-time Non-Official Directors (Independent Directors).

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

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

A) Functional/Whole-Time Directors (Executive)	Designation
1) Cmde. A.Madhavarao (Retd.)*	Chairman & Managing Director
2) Shri. P.Radha Krishna [§]	Director (Production)
3) Shri. N.Srinivasulu [@]	Director (Finance) & CFO
4) Shri. P.V.Raja Ram [#]	Director (Production)
B) Part-Time Official Directors (Non-Executive-Non independent)	
1) Shri. Anurag Bajpai	Government Nominee Director
2) Shri. U. Raja Babu [^]	Government Nominee Director

C) Part-Time Non-Official Directors (Non-Executive-Independent)

1) Shri. Sunil Chintaman Mone	Independent Director
2) Shri. Nandakumar Subburaman	Independent Director
3) Dr. Pawan Sthapak	Independent Director
4) Prof. (Dr.) Sanghamitra Mishra	Independent Director
5) Shri Rajendra Singh Shekhawat	Independent Director
6) Shri Jashwant Lal	Independent Director

Note:

* Cmde. A.Madhavarao vide Ministry of Defence, Office Memorandum No. DDP-M0001(24)/1/2022-D(BDL) Pt.II dated 19.07.2023 elevated as Chairman & Managing Director from the post of Director (Technical) with effect from 19 July 2023. Previous to this, Shri. Radha Krishna, Director (Production) and Shri. N. Srinivasulu, Director (Finance) was given Additional Charge as Chairman & Managing Director from 01 April 2023 to 30 June 2023 and from 01 July 2023 to 18 July 2023 respectively by Ministry of Defence Office Memorandum No. M0001(24)/1/2022-D(BDL) dated 31.03.2023 and M0001(24)/1/2022-D(BDL) dated 07.07.2023.

§ Shri. P. Radha Krishna ceased to be Director (Production) & Additional Charge CMD w.e.f 01 July 2023

@ Shri. N.Srinivasulu ceased to be Director (Finance) & CFO w.e.f 01 Feb 2024

Shri.P.V. Raja Ram took charge as Director (Production) w.e.f 30 August 2023

^ Appointed as Government Nominee Director in place of Shri. BHVS Narayana Murthy vide Ministry of Defence letter No. DDP-M0001(11)/3/2018/D(BDL) dated 21/07/2023 with effect from 21 July 2023.

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 2023-24, five (5) Board Meetings were held and the maximum interval between any two meetings was complied with in terms of SEBI Regulations and Companies Act. The Board Meetings were held on 25 May 2023, 04 August 2023, 03 November 2023, 24 January 2024, 21 March 2024. 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 2023-24 etc., are furnished as follows:

Name of Directors	Board Meetings		Attendance At last AGM held on 28 Sep 2023	No. of other directorships 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. A Madhavarao (Retd.),CMD (Appointed w.e.f 19 July 2023)	5	5	Yes	Nil	Bharat Dynamics Ltd	Executive Director & Chairman	-	-
Shri.P.Radhakrishna Director (Production) & Addl. Charge CMD (Ceased w.e.f 01 July 2023)	1	1	NA	Nil	Bharat Dynamics Ltd	Executive Director	-	-
Shri. N.Srinivasulu Director (Finance) & CFO (Ceased w.e.f 01 Feb 2024)	4	4	Yes	Nil	Bharat Dynamics Ltd	Executive Director & CFO	-	1
Shri. P.V. Raja Ram Director (Production) (Appointed w.e.f 30 Aug 2023)	3	3	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	-

Name of Directors	Board Meetings		Attendance At last AGM held on 28 Sep 2023	No. of other directorships 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
Part-Time Official (Government) Directors (Non-Executive-Non independent)								
Shri Anurag Bajpai	5	4	No	2	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
					Mazagon Dock Shipbuilders Limited	Non-Executive Non Independent Director	-	-
Dr. BHVS Narayana Murthy (Ceased w.e.f 21 July 2023)	1	1	NA	Nil	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
Shri. U. Raja Babu (Appointed w.e.f 21 July 2023)	4	3	No	1	Bharat Dynamics Ltd	Non-Executive Non Independent Director	-	-
Part-time Non-Official Director (Non-Executive-Independent)								
Shri Sunil Chintaman Mone	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	1	1
Prof. (Dr.) Sanghamitra Mishra	5	4	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2
Shri Rajendra Singh Shekhawat	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2
Shri Nandakumar Subburaman	5	4	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	1	1
Dr. Pawan Sthapak	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	2
Shri Jashwant Lal	5	5	Yes	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) Shri.PV.Raja Ram holds 105 shares of face value of ₹ 10 each in the Company as on 31 March 2024. No other Director 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 2024 and based on the declarations received from the Independent Directors, the Board of Directors confirms that the Independent Directors fulfill the criteria of Independence specified in SEBI (LODR) regulations and are independent of the management and no Independent Director resigned before expiry of his/her tenure.

d) Board Skills/Expertise/Competence:

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

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

e) Review of Compliance of Laws:

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2023-24. 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 2023-24 are placed in the website of the Company and can be accessed at <https://bdl-india.in/sites/default/files/2024-07/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

g) Certificate from Company Secretary in Practice

M/s. Narender & Associates., 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 2024.

h) Directors and Officers Insurance

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy

3. MANDATORY COMMITTEES OF THE BOARD:**A) AUDIT COMMITTEE:**

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

During the year, five (5) meetings of the Audit Committee were held on 25 May 2023, 04 August 2023, 03 November 2023, 24 January 2024 and 21 March 2024. The composition of the Committee during the year 2023-24 and the details of attendance of Members for the said meeting(s) are as follows:

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

The Company Secretary acts as the Secretary of the Committee

Functional Directors (other than CMD) are invited as Permanent Special Invitees and representatives of Statutory Auditor and external Chartered Accountant Firms doing Internal Audit Work will attend the meeting on invitation. All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairperson of the Audit Committee attended the 53rd Annual General Meeting of the Company.

Terms of Reference:

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

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

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

B) NOMINATION AND REMUNERATION COMMITTEE:

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

During the year, two (2) meeting of the Nomination and Remuneration Committee was held on 25 May 2023 and 03 November 2023. The composition of the Committee during the year 2023-24 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Prof. (Dr.) Sanghamitra Mishra Chairperson	Non-Executive Independent Director	2	1
2	Shri. Sunil Chintaman Mone 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	1
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	2	2
6	Shri. Jaswanth Lal Member	Non-Executive Independent Director	2	2

The Company Secretary acts as the Secretary of the Committee.

Terms of reference:

The terms of reference of the Committee is as follows:

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

Remuneration Policy /Details of Remuneration to all Directors:

- BDL being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. The Government letter appointing the Chairman & Managing Director and other functional directors indicates the detailed terms and conditions of their appointment, including the period of appointment, basic pay, scale of pay, dearness allowance etc., and it also indicates that in respect of other terms and conditions not covered in the letter, the relevant rules of the Company shall apply.
- Chairman and Managing Director and other Functional Directors are appointed by the Government initially for a period of 5 years from the date of appointment or upto the date of superannuation of the individual or until further orders of the Government, whichever is the earliest.
- The Part-time Official Directors (i.e. Government Nominee Directors) are generally from the Administrative Ministry and their term is co-terminus with the term of the respective position held by them in Government at the time of appointment on the Company's Board or until further orders. They are not entitled for any remuneration/sitting fees.
- The Part-time Non-Official Directors (i.e. Independent Directors) are appointed by Government of India for a period of 3 years or until further orders whichever is earlier. They are entitled to sitting fees for attending the Board/Committee meetings as prescribed by the Board in adherence with the Govt. directives/statutory rules and regulations. The Board at its 278th meeting held on 03 November 2023 enhanced the sitting fees payable to the Independent Directors to ₹ 30,000/- per sitting for attending the Board Meetings and ₹ 20,000/- per sitting payable in respect of Board Level Committee Meetings. The Company has reviewed the sitting fee to be paid to the independent directors and the same is in compliance with the DPE OM No.F.No.9(23)/2014-MGMT dated 16 December 2019. The details of the sitting fees paid to the Independent Directors for attending the Meetings during the year 2023-24 are given below:

Name of the Independent Director	Amount (₹)
Shri. Sunil Chintaman Mone	3,75,000
Shri. Nandakumar Subburaman	2,40,000
Prof. (Dr.) Sanghamitra Mishra	3,05,000
Shri. Rajendra Singh Shekhawat	3,75,000
Dr. Pawan Sthapak	3,75,000
Shri Jashwant Lal	3,75,000

- The details of remuneration of Directors and KMP, paid during the year 2023-24 is as follows: -

								(Amount in ₹)	
Name of Director/ KMP	Designation	Salary	Perqui- sites	VL Encash- ment	Company Contribution To PF & Incremental Gratuity / Leave/ Pension-Exe Scheme & PSMB II	Incentive	Total	No. of Shares of face value of ₹ 10 each held in the company as on 31 March 2024 (including on beneficial basis)	
Cmde Madhavarao (Retd)*	CMD	47,87,084	9,31,889	-	11,61,933	16,62,463	85,43,369	0	
Shri P Radha Krishna [§]	Director (Production)	8,94,732	1,79,272	-	49,08,098	16,10,900	75,93,003	0	
Shri N Srinivasulu [#]	Director (Finance)	29,04,941	5,71,961	-	53,90,355	15,21,480	1,03,88,737	0	
Shri. P. V. Raja Ram [^]	Director (Production)	35,29,966	6,92,833	1,69,761	10,74,892	11,17,661	65,85,113	105	
Shri. G. Gayatri Prasad [§]	CFO	85,564	16,541	-	24,860	22,558	1,49,523	652	
Shri. N.Nagaraja	Company Secretary	18,78,936	3,68,814	1,27,290	6,33,293	4,08,154	34,16,487	0	

*Elevated as CMD from the position of Director (Technical) w.e.f 19 July 2023
[§]Ceased w.e.f 01 July 2023
[#]Ceased w.e.f 01 Feb 2024
[^]Appointed w.e.f. 30 Aug 2023
[§]Appointed as CFO w.e.f 21 March 2024

- f. Stock Options: - The Company has no Stock Option plans/schemes approved by the Board/Shareholders.
- g. The Company does not pay any commission to its Directors. Apart from receiving the sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year 2023-24.
- h. The provisions of Section 134(3)(p) of the Companies Act, 2013 and Reg.17 & 19 of listing regulations relating to evaluation of Board of Directors do not apply to your Company since necessary exemptions are provided to all government companies. Further, similar exemptions were granted to your Company by Securities Exchange Board of India (SEBI) under the provisions of SEBI (Listing Obligations and Disclosure Requirements {LODR}) Regulations, 2015 vide their letter No. SEBI/HO/CFD/DIL1/OW/P/2018/1679/1 dated 17 January 2018. MCA has also exempted Government Companies from formulating policy relating to remuneration of Directors required under Section 178 of the Companies Act.
- i. Particulars of Senior Management including the changes therein since the close of the previous financial year: Please refer to Page No.2 of Corporate Information section for details.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one (1) meeting of the Stakeholders Relationship Committee was held on 21 March 2024. The composition of the Committee during the year 2023-24 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Nandakumar Subburaman Chairperson	Non-Executive Independent Director	1	1
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	1	1
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	1	1
4	Shri. Rajendra Singh Shekhawat Member	Non-Executive Independent Director	1	1
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	1	1
6	Shri. Jaswanth Lal Member	Non-Executive Independent Director	1	1
7	Shri. N Srinivasulu Member (Ceased w.e.f 01 Feb 2024)	Executive Director	0	NA

The Company Secretary acts as the Secretary of the Committee.

Terms of reference:

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

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

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

The Company endeavor to reply to the complaints within a period of 3 working days. In terms of Regulation 46(2) (j&k) of the Listing Regulations, the name and designation of Compliance Officer and other relevant details are placed on the Company's web-site <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:	7
No. of complaints resolved during the year:	7
No. of complaints pending resolved at the end of the year:	0

D) CSR & SD COMMITTEE:

The composition of the CSR & SD Committee is in line with Section 135 of the Companies Act, 2013 and DPE Guidelines. During the year, three (3) meetings of the CSR &SD Committee meetings were held on 25 May 2023, 03 November 2023 and 24 January 2024.

The composition of the Committee during the year 2023-24 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Rajendra Singh Shekhawat Chairperson	Non-Executive Independent Director	3	3
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	3	3
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	3	2
4	Shri. Nandakumar Subburaman Member	Non-Executive Independent Director	3	1
5	Dr. Pawan Sthapak Member	Non-Executive Independent Director	3	3
6	Shri. Jaswanth Lal Member	Non-Executive Independent Director	3	3
7	Shri. P RadhaKrishna Member (Ceased w.e.f 01 July 2023)	Executive Director	1	-
8	Shri. P.V Raja Ram Member (Appointed w.e.f 03 November 2023)	Executive Director	1	1

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:

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

During the year, two (2) meetings of the Risk Management Committee was held on 04 August 2023 and 24 January 2024.

The composition of the Committee during the year 2023-24 and the details of attendance of Members for the said meeting(s) are as follows:

S. No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Dr. Pawan Sthapak Chairperson	Non-Executive Independent Director	2	2
2	Shri. Sunil Chintaman Mone Member	Non-Executive Independent Director	2	2
3	Prof. (Dr.) Sanghamitra Mishra Member	Non-Executive Independent Director	2	2
4	Shri. Rajendra Singh Shekhawat Member	Non-Executive Independent Director	2	2
5	Shri. Nandakumar Subburaman Member	Non-Executive Independent Director	2	1
6	Shri. Jaswanth Lal Member	Non-Executive Independent Director	2	2
7	Shri. P.V. Raja Ram Member (Appointed w.e.f 03 November 2023)	Executive Director	1	1
8	Cmde A Madhavarao (Retd.) Member (Ceased w.e.f 03 November 2023)	Executive Director	1	0

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

4) NON-MANDATORY COMMITTEES OF THE BOARD:

The following are the non-mandatory Committees of the Board

A) PROCUREMENT COMMITTEE:

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

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

The Company has reconstituted the Committee with Chairman & Managing Director as Chairman of the Committee and other Functional Directors as Members of the Committee. The Committee met eight (8) times during the year on 27 April 2023, 07 June 2023, 17 July 2023, 08 August 2023, 29 September 2023, 13 October 2023, 01 December 2023 and 07 March 2024.

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 Rematerialization and Demat requests etc. No Meetings were held during the year, since there were no Demat/Remat requests.

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 2024 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) All the Annual General Meetings of the Company were held where the Registered Office of the Company is situated. The details of such meetings for the last three years are as follows:

AGM No.	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting	No. of Special Resolutions
53	2022-23	28 Sep 2023	15:00 Hrs	Corporate Office through VC	1
52	2021-22	26 Sep 2022	15:00 Hrs	Corporate Office through VC	5
51	2020-21	27 Sep 2021	15:00 Hrs	Corporate Office through VC	Nil

- ii) **Resolution(s) passed through Postal Ballot:**

During the year under review, the members of the Company have approved following resolutions put up through Postal Ballot:

- Special Resolution:** Alteration of Memorandum of Association (MoA) of the company by inclusion of new object clause relating to 'manufacture of Space related products & providing services'
- Ordinary Resolution:** Sub-division/splitting of 1 Equity Share of face value of ₹ 10/- each fully paid up into 2 Equity Shares of face value of ₹ 5/- each fully paid-up
- Ordinary Resolution:** Alteration of Capital Clause of the Memorandum of Association consequent to Sub-division/ Splitting of Shares

- iii) **Procedure adopted for postal ballot:**

In accordance with General Circular Nos.14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 03/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated

September 25, 2023 (collectively 'MCA Circulars'), resolutions were proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of National Securities Depository Limited ("NSDL") as the agency to provide e-voting facility. Shri G. Narendra, a Practising Company Secretary, (Membership No.: FCS 4898), Proprietor, M/s Narender & Associates, Practising Company Secretaries acted as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner. In accordance with the MCA Circulars, the Postal Ballot Notice dated March 21, 2024, was sent only by electronic mode to those members whose names appeared in the Register of Members / List of Beneficial Owners as on Friday, March 22, 2024 ("Cut-Off Date") received from the Depositories and whose e-mail addresses were registered with the Company / Depositories. Instructions for voting were explained in the Postal Ballot Notice. Members exercised their vote(s) by e-voting during the period from 09:00 a.m. on Wednesday, March 27, 2024 till 05:00 p.m. on Thursday, April 25, 2024. The Scrutinizer submitted his report on April 29, 2024, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

Item No.1: Alteration of Memorandum of Association (MoA) of the company by inclusion of new object clause relating to 'manufacture of Space related products & providing services' - Special Resolution

Particulars	% of Total votes	Result
Votes in favour of the Resolution	99.997	Passed with requisite Majority
Votes against the Resolution	0.003	

Item No.2: Sub-division/splitting of 1 Equity Share of face value of ₹ 10/- each fully paid up into 2 Equity Shares of face value of ₹ 5/- each fully paid-up - Ordinary Resolution

Particulars	% of Total votes	Result
Votes in favour of the Resolution	99.997	Passed with requisite Majority
Votes against the Resolution	0.003	

Item No.3: Alteration of Capital Clause of the Memorandum of Association consequent to Sub-division/Splitting of Shares- Ordinary Resolution

Particulars	% of Total votes	Result
Votes in favour of the Resolution	99.997	Passed with requisite Majority
Votes against the Resolution	0.003	

- iv) The said resolution was passed with requisite majority on April 25, 2024. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.
- v) There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

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 <https://bdl-india.in/investors-meeting-presentation>.

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

7) GENERAL SHAREHOLDER INFORMATION

- (a) The 54th Annual General Meeting for the year 2023-24 is scheduled Monday, 30 September 2024 at 15:00 hours.
- (b) Financial year of the Company begins on April 1 and ends on March 31. The tentative calendar for declaration of results for the year 2024-25 is given as below:

For the quarter ending 30.06.2024	On or before 14.08.2024
For the quarter ending 30.09.2024	On or before 14.11.2024
For the quarter ending 31.12.2024	On or before 14.02.2025
For the year ending 31.03.2025	On or before 30.05.2025
55 th Annual General Meeting	On or before 30.09.2025

- (c) The Register of Members and Share Transfer Books shall remain closed from Tuesday, 24 September 2024 to Monday, 30 September 2024 (both days inclusive).
- (d) Dividend will be paid within 30 days from the date of declaration.
- (e) Company's equity shares are listed on the following stock exchanges:

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

The Company has paid listing fees for the financial years 2023-24 and 2024-25 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	INE171Z01026
MCA CIN	L24292TG1970GOI001353

(g) Reconciliation of share capital audit

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

The Company has paid annual custody fees for the financial year 2024-25 to both the Depositories, viz, NSDL and CDSL.

(h) Market Price Data

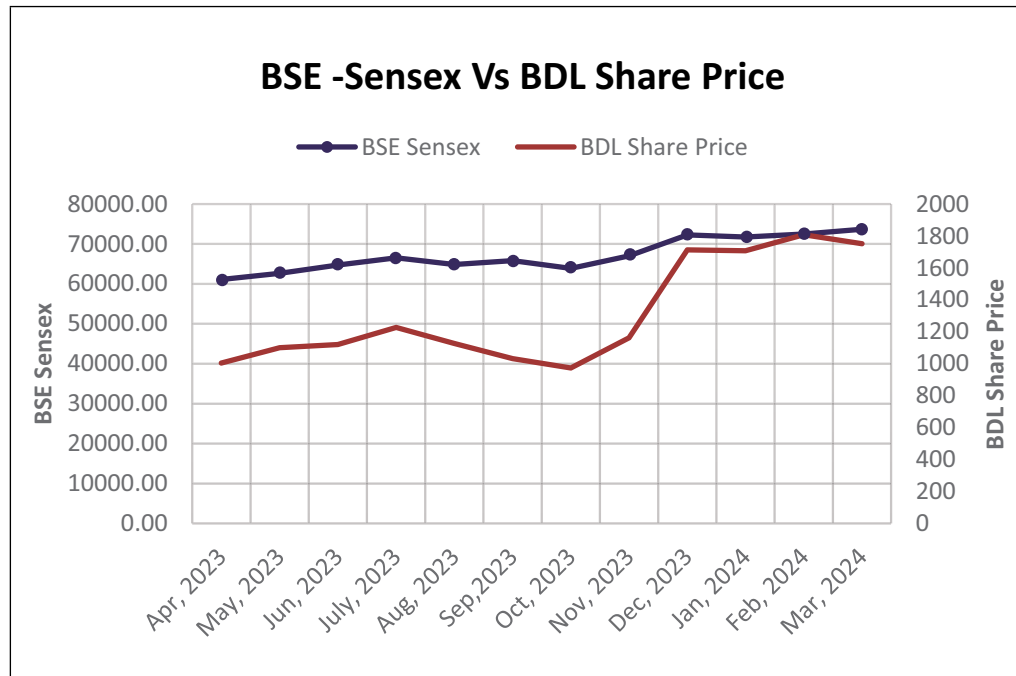
The details of high/low market prices of the shares of the Company at BSE Ltd and National Stock Exchange of India Ltd (NSE) are as under:

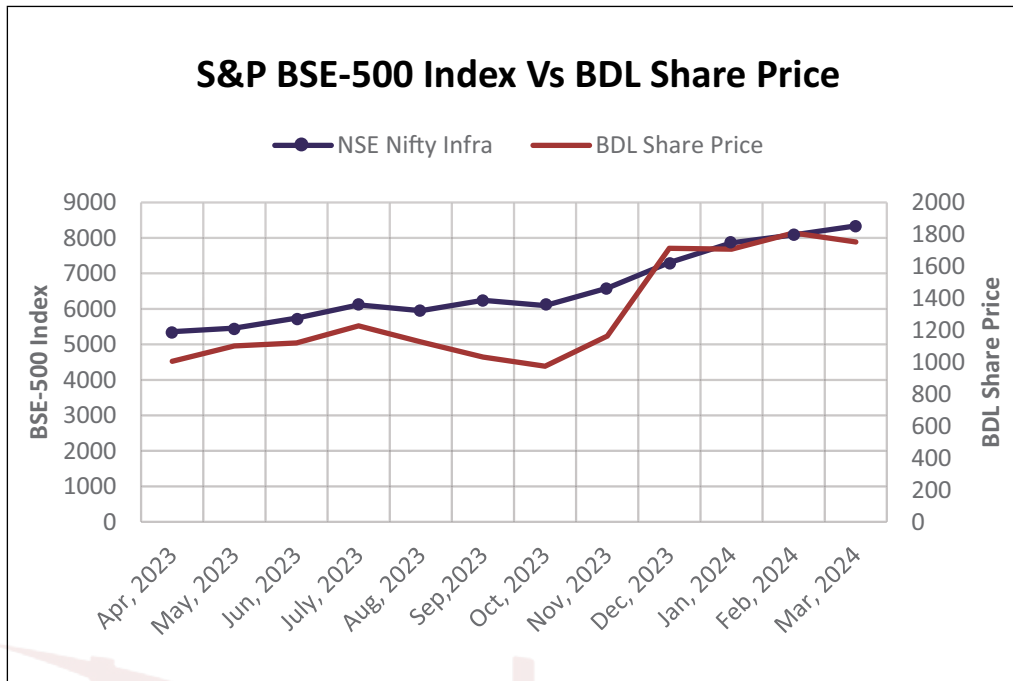
1) BDL Share Price on BSE vis-a-vis BSE Sensex & S&P BSE 500 Index during 2023-2024 is as follows:

Month	BSE Sensex Close	S&P BSE 500 Index Close	BDL Share Price			No. of Shares traded	Turnover (₹ in lakh)
			High	Low	Close		
			₹	₹	₹		
April, 2023	61112.44	24209.37	1029.60	952.50	1004.55	672428	6653.48
May, 2023	62622.24	25059.67	1115.55	971.10	1099.90	818046	8544.84
June, 2023	64718.56	26078.65	1247.00	1062.55	1120.15	1158652	13292.48
July, 2023	66527.67	27069.01	1278.00	1078.05	1227.65	736112	8798.76
August, 2023	64831.41	26848.76	1236.90	1095.10	1126.60	488058	5597.03
September, 2023	65828.41	27407.75	1225.00	955.30	1031.85	1240906	13815.62
October, 2023	63874.93	26605.19	1043.05	901.00	973.65	650475	6417.33
November, 2023	66988.44	28442.43	1184.00	975.00	1161.85	681878	7529.81
December, 2023	72240.26	30720.28	1810.00	1185.10	1713.15	2069546	31215.41
January, 2024	71752.11	31303.35	1839.60	1625.50	1707.45	1033545	17730.87
February, 2024	72500.30	31777.02	1984.40	1553.80	1807.70	1623982	28777.26
March, 2024	73651.35	32043.20	1882.20	1552.15	1751.30	726965	12549.15

The Market capitalization of the Company as on 31 March 2024 is ₹ 32098.04 crore

A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX & S&P BSE 500 Index during the year 2023-24 is presented in the following graph:



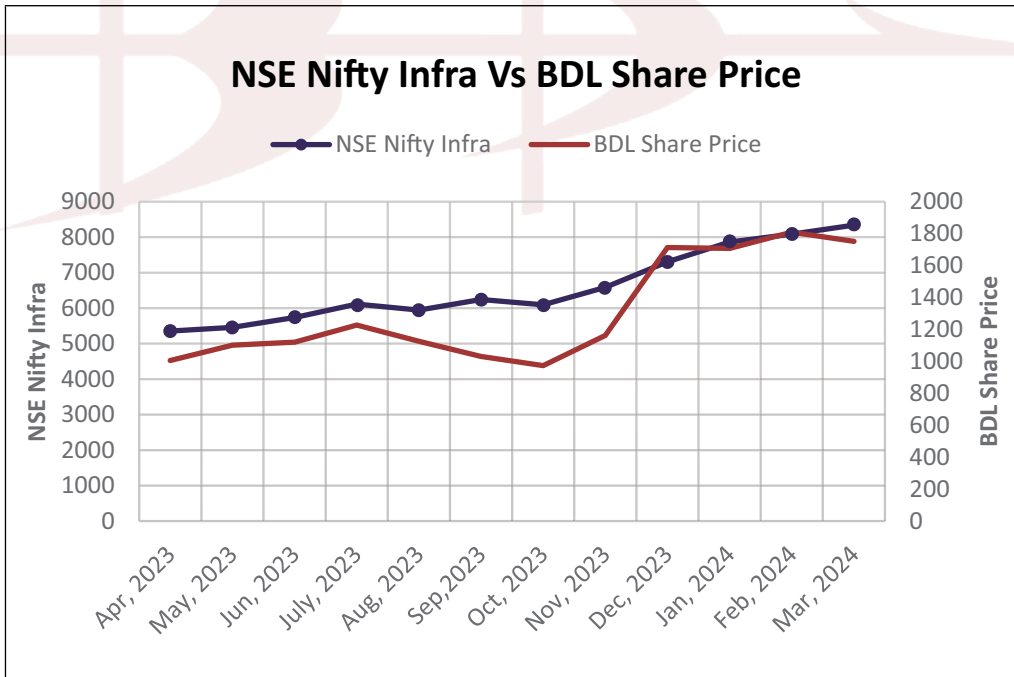
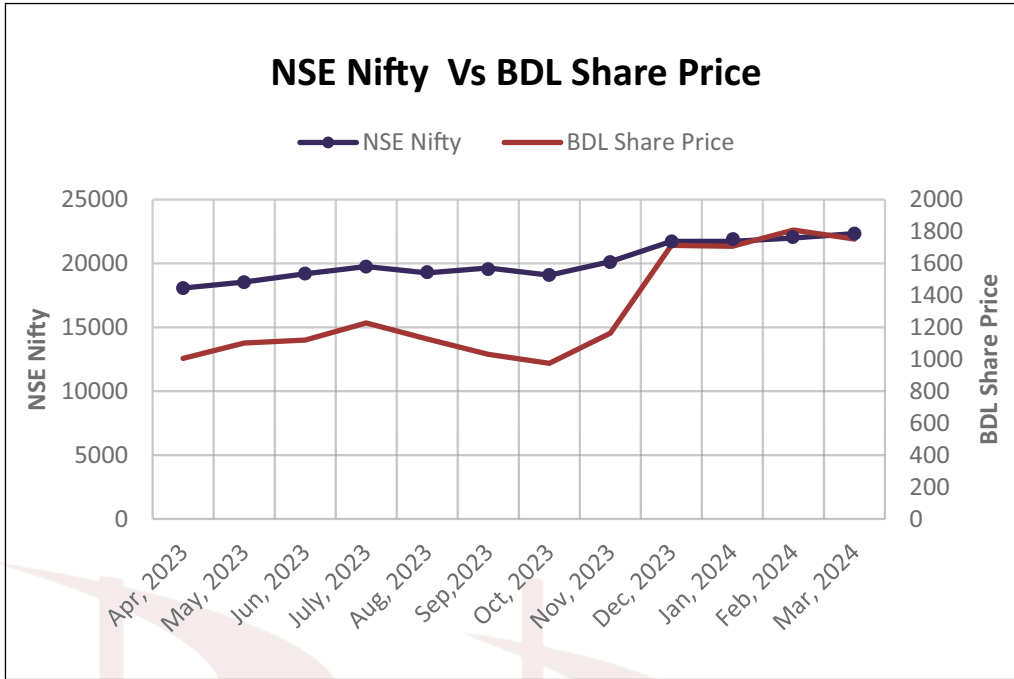


2) BDL Share Price on NSE vis-a-vis NSE Nifty & Nifty Infra during 2023-2024 is as follows:

Month	NSE Nifty Close	Nifty Infra Close	BDL Share Price			No. of Shares traded	Turnover (₹ in lakh)
			High	Low	Close		
			₹	₹	₹		
April, 2023	18065.00	5356.20	1030.00	951.75	1005.30	9742791	96717.31
May, 2023	18534.40	5459.80	1114.90	975.30	1101.75	13424372	140276.29
June, 2023	19189.05	5738.70	1247.00	1062.95	1120.25	17596835	203890.95
July, 2023	19753.80	6115.35	1278.00	1077.50	1227.55	20881040	249613.80
August, 2023	19253.80	5947.00	1237.35	1093.10	1126.40	8318549	95403.74
September, 2023	19638.30	6242.85	1224.40	956.00	1031.30	17550960	197699.92
October, 2023	19079.60	6095.40	1043.00	900.00	974.15	10039739	103089.72
November, 2023	20133.15	6585.60	1184.00	973.00	1162.75	14754397	162231.64
December, 2023	21731.40	7303.40	1810.95	1185.05	1712.35	41094646	621975.68
January, 2024	21725.70	7859.90	1838.80	1630.00	1707.05	16763761	288693.42
February, 2024	21982.80	8085.75	1984.80	1556.35	1809.10	29674810	530049.44
March, 2024	22326.90	8336.00	1880.00	1552.10	1751.90	15203023	302708.09

The Market capitalization of the Company as on 31 March 2024 is ₹ 32109.04 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 2023-24 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 Dematerialization/Rematerialisation requests and related matters as well as all dividend related queries and complaints:

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

(j) Share Transfer System

The shares of the Company are traded in dematerialized form.

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

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

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

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

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

(k) Shareholding Pattern as on 31 March 2024

Sl. No	Category	No. of Shareholders	No. of Shares	% Holding
1	President of India	1	137325527	74.93
2	Mutual Fund/UTI	20	14538089	7.93
3	Insurance Companies	16	7248744	3.95
4	Foreign Portfolio Investors	67	5411094	2.95
5	Bodies Corporate	882	1278757	0.70
6	Individuals	238080	14791761	8.07
7	Trusts	10	85622	0.05
8	NRIs	4532	934700	0.51
9	Clearing Members	47	110708	0.06
10	Employees	127	13819	0.01
11	HUF	4356	585092	0.32
12	Alternate Investment Funds	12	932868	0.51
13	NBFCs registered with RBI	6	2719	-
14	Banks	1	1500	-
15	Qualified Institutional Buyer	1	20250	0.01
	Total	248158	183281250	100

(l) Top 10 Shareholders as on 31 March 2024

Sl. No	Name	No. of Shares held	%
1	President of India	137325527	74.9261
2	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	3488097	1.9031
3	Life Insurance Corporation of India	2626403	1.433
4	Sbi Life Insurance Co. Ltd	1048747	0.5722
5	Max Life Insurance Company Limited A/c - Growth Super Fund	957601	0.5225
6	Kotak Mahindra Life Insurance Company Ltd.	787791	0.4298
7	Nippon Life India Trustee Ltd-A/c Nippon India Small Cap Fund	763249	0.4164
8	HDFC Trustee Company Limited-HDFC Flexi Cap Fund	749084	0.4087
9	Canara Robeco Mutual Fund A/c Canara Robeco Small Cap Fund	663673	0.3621
10	Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/C Axis Midcap Fund	576454	0.3145

(m) Distribution of shareholding as on 31 March 2024

Category	Total				Physical		Demat	
	No. of shareholders	%	Shares	%	No. of shareholders	Shares	No. of shareholders	Shares
1 - 500	244503	98.53	10042166	5.48	0	0	244503	10042166
501-1000	2119	0.85	1587974	0.87	0	0	2119	1587974
1001-2000	823	0.33	1197750	0.65	0	0	823	1197750
2001-3000	246	0.10	627908	0.34	0	0	246	627908
3001-4000	90	0.04	321875	0.18	0	0	90	321875
4001-5000	72	0.03	338311	0.18	0	0	72	338311
5001-10000	146	0.06	1064208	0.58	0	0	146	1064208
10001 & above	159	0.06	168101058	91.72	0	0	159	168101058
Total	248158	100.00	183281250	100.00	0	0	248158	183281250

(n) Dematerialization 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 2024, the number of equity shares in electronic form and physical form is as follows:

Sl. No	Particulars	No. of Shares	%
1	NSDL	174773555	95.36
2	CDSL	8507695	4.64
3	Physical	-	-
	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 2023-24 is as follows:

Particulars	BSE	NSE	Total
No. of Shares traded	11900593	215044923	226945516
Value (₹in lakh)	160922.04	2992350	3153272.04

(o) Outstanding GDRs/ADRs/Warrants

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

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

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

(q) Plant Locations

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

(r) Address for Correspondence/Corporate Office

Bharat Dynamics Limited
 CIN: L24292TG1970GOI001353
 Corporate Office, Plot No.38-39, TSFC Building,
 Financial District, Gachibowli, Hyderabad-500 032
 Telephone: (040) 23456174 ; Fax: (040) 23456110
 E-mail : investors@bdl-india.in
 Website : <https://bdl-india.in/>

(s) Credit Rating

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

8) OTHER DISCLOSURES:

- The Company has no subsidiaries, Joint Ventures and Associate Companies as on 31 March 2024.
- During the year 2023-24 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.
- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Note No.38(8) of Notes to Accounts in the Annual Report. The Company has formulated a "Policy on Related Party Transactions" to regulate transactions entered into between the Company and its related parties. In terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the web-site of the Company at <https://bdl-india.in/sites/default/files/2023-06/Policy%20on%20Related%20Party%20Transactions.pdf>.

- During the year, the Company has complied with all SEBI Regulations and there are no instances of non-compliances

e) Whistle Blower Mechanism/ Vigil Mechanism:

The guidelines of Corporate Governance for CPSEs 2010 issued by DPE and provisions of section 177 of the Companies Act, 2013 have been complied with. The Whistle Blower Policy of the Company, inter alia, contains a provision enabling any person to approach the Chairman of the Audit Committee. However, during the year under report, no personnel was denied access to the members of the Audit Committee or its Chairman. The policy is available on the website of the Company https://bdl-india.in/sites/default/files/2020-01/Whistle%20blower%20Policy%20%26%20Vigil%20Mechanism_0.pdf

- f) All the applicable Accounting Standards are followed except IND-AS-108 relating to Segment reporting keeping in view the nature of business and the sensitive nature of the disclosure. As the Company is engaged in defence production, exemption was granted from applicability of IND-AS-108 under section 129 of Companies Act 2013 vide Notification dated 23rd February 2018 of Ministry of Corporate Affairs. However, such non-disclosure does not have any financial effect on the accounts of the Company. Necessary disclosure is being made in Notes forming part of Accounts in this regard.
- g) During the year 2023-24, 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	2023-24	2022-23
1	Total Expenditure (other than Materials)	560.28	971.70
2	Administrative & Office Expenses	14.93	15.83
3	Percentage of (2) on (1)	2.66%	1.63%

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	2023-24	2022-23
Audit Fees	12.50	15.00
Tax Audit Fees	1.25	1.25
Other Services	3.50	5.05
Reimbursement of Expenses	0.28	0.50
Total	17.53	21.80*

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

- m) No items of expenditure other than directly related to those directly related to its business or incidental thereto, those spent towards welfare of employees/ex-employees towards fulfilling its corporate social responsibility were debited into books of account.

- n) Unpaid & Unclaimed Dividend details: Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the statement furnishing information of unpaid and unclaimed dividend (interim & final) for previous seven years is available on the website of the Company viz. <https://bdl-india.in/unclaimed-dividend>. Further, no unclaimed dividend/shares from previous years is due to be transferred to the IEPF as on March 31, 2024. The details of the Unclaimed Dividends as on 31 March 2024 is as below:

Particulars	No. of shareholders	Amount (in ₹)
Final Dividend 2017-18	919	330798.33
Interim Dividend 2018-19	845	220263.75
Final Dividend 2018-19	837	75662.69
Interim Dividend 2019-20	1321	414781.25
Final Dividend 2019-20	950	123706.70
Interim Dividend 2020-21	876	283229.80
Final Dividend 2020-21	899	30108.65
Interim Dividend 2021-22	726	243757.80
Final Dividend 2021-22	721	38370.00
Interim Dividend 2022-23	635	294110.80
Final Dividend 2022-23	252	19247.20
Total	8981	2074036.97

- 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, 2024.
- p) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified in the Regulations 32(7A) of the Listing Regulations.
- q) Loans and advances in the nature of loans to firms/Companies in which Directors are interested -Nil.
- r) No subsidiaries including material subsidiaries were incorporated during the year under review.
- s) Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: NIL
- t) Disclosure of certain types of agreements binding listed entities: 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	1
No. of Complaints disposed of the during the year	1
No. of Complaints pending as on end of the financial year	0

10) DETAILS OF NON-COMPLIANCES

During the year, there are no instances of non-compliance

11) COMPLIANCE WITH NON-MANDATORY PROVISIONS

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

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

12) CODE FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE

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

13) COMPLIANCE

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and DPE Guidelines. 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 2023-2024 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 2023-24. A declaration to this effect by the Chairman & Managing Director is given below:

Declaration by Chairman & Managing Director:

It is hereby declared that all Board Members and Senior Management Personnel affirmed compliance with "The Code of Business Conduct & Ethics for Board Members and Senior Management of Bharat Dynamics Limited" for the year ended 31 March 2024.

For and on behalf of the Board



Cmde. A Madhavarao (Retd.)
Chairman & Managing Director &
Add. Charge Director (Finance)
DIN:09808949

Place : Hyderabad
 Date : 30 May 2024



NARENDER & ASSOCIATES

Company Secretaries

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

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
Registered Office: Kanchanbagh, Hyderabad,
Telangana 500058

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BHARAT DYNAMICS LIMITED having CIN: L24292TG1970GOI001353 and having registered office at Kanchanbagh, Hyderabad, Telangana 500058 (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 (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me 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 ended on 31st March, 2024 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.

Sl.No.	Name of Director	DIN	Date of appointment in Company
01	SANGHAMITRA MISHRA	09448680	27/12/2021
02	PAWAN STHAPAK	03605320	24/12/2021
03	RAJENDRA SINGH SHEKHAWAT	09449860	28/12/2021
04	NANDAKUMAR SUBBURAMAN	00611401	24/12/2021
05	SUNIL CHINTAMAN MONE	09223235	24/12/2021
06	ANURAG BAJPAI	08948155	14/09/2022
07	MADHAVARAO ATMAKURI	09808949	02/01/2023
08	JASHWANT LAL	10055098	24/02/2023
09	RAJA RAM VENKATA RAMANA PRABHALA	10271259	30/08/2023
10	RAJABABU UMMALANENI	10212986	21/07/2023



Ensuring the eligibility 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: 05.06.2024
UDIN: F004898F000535175



For Narender & Associates
Company Secretaries

Narender G
Proprietor
FCS-4898 CP: 5024



NARENDER & ASSOCIATES

Company Secretaries

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

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
(As per Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To
The Members of
BHARAT DYNAMICS LIMITED
Registered Office: Kanchanbagh, Hyderabad,
Telangana 500058

We have reviewed the compliance of conditions of Corporate Governance by Bharat Dynamics Limited, for the year ended 31st March, 2024, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

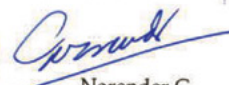
No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

We further state that such compliance 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.

For Narender & Associates
Company Secretaries




Narender G
Proprietor
FCS-4898 CP: 5024

Place: Hyderabad
Date: 05.06.2024
UDIN: F004898F000535153

COMPLIANCE CERTIFICATE

- A. We have reviewed the Financial results for the period ended 31 March 2024 and to the best of our knowledge and belief:
- (i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - (ii) These Statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design, operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Company's auditors that:
- (i) there are no significant changes in internal control over financial reporting during the period.
 - (ii) there are no significant changes in accounting policies during the period.
 - (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 A MADHAVARAO (Retd)
CHAIRMAN AND MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER



G GAYATRI PRASAD
CHIEF FINANCIAL OFFICER



NARENDER & ASSOCIATES

Company Secretaries

403, Naina Residency, Srinivasa Nagar (East), Ameerpet, Hyderabad - 500 038

Off: 040-40159831, 23730801, E-mail: narenderg99@gmail.com

UDIN: F004898F000410919

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31.03.2024

[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, 2024** 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, 2024** according to the provisions of:

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



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



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

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

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

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

We further report that

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



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

for Narender & Associates
Company Secretaries



G. NARENDER
Proprietor
FCS 4898, CP 5024

Place: Hyderabad

Date: 21.05.2024

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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.

Place: Hyderabad
Date: 21.05.2024



for Narender & Associates
Company Secretaries



G. NARENDER
Proprietor
FCS 4898, CP 5024

TEJ RAJ & PAL

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INDEPENDENT AUDITORS' REPORT

To the Members of Bharat Dynamics Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Bharat Dynamics Limited ('the company')**, which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") 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 on the Standalone Financial Statements.

Emphasis of matter

We draw attention to the following matters in the notes to the Standalone Financial Statements:

- a. note 38(25) which describes the impact on the company's performance for the year ending 31 March 2024 with the supply chain of the company being affected in view of the on-going Russia-Ukraine war and conflicts in Middle-East region.

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- b. note 32 which describes adjustment having been made to the cost of materials consumed for Rs. 16491.29 lakhs on account of refund received during the year 2023-24 from the customers on account of reimbursement of expenditure for materials and stores procured in the past with consequent reversal of liability there against.
- c. note 38(7) which describes inventory not moved for more than five years amounting to Rs. 8338.85 lakhs (Rs.8350.75 lakhs as of 31 March 2023) for which no provision for redundancy were made as is required by the company's accounting policy for the reasons stated there at.

Our conclusion is not modified in respect of these matters

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the year ended 31 March 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context
- We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sl.no.	Key audit matters	How our audit addressed the Key Audit Matters
(a)	Expected credit loss on trade receivables	
	<p>The Company has outstanding trade receivables and Contract Asset of Rs.31,044.72 lakhs and Rs.87,456.12 lakhs respectively as at March 31, 2024, including overdue / aged receivables.</p> <p>The Company supplies missiles to its sole customer Ministry of Defence (MoD). The Company has past</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the Company's process and tested internal controls associated with the management's assessment for not considering ECL allowance against trade receivables (i.e.,

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	<p>experience available with it to expected credit loss allowances, if required.</p> <p>The Company has not provided for Expected Credit Loss (ECL) allowance on trade receivables considering the past business experience with MoD.</p> <p>Based on the above experience and using its best estimate, the Company has not accounted any ECL provision on the balance sheet date.</p> <p>Due to the significance of trade receivables and the related management's judgement this is considered to be a key audit matter.</p>	<p>MoD).</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's plan and steps being taken to collect all receivables including overdue / aged receivables. • Evaluated management's assessment of recoverability of the outstanding receivables from MoD including recoverability of overdue/ aged receivables through inquiry with management, and analysis of recent collection trends in respect of receivables particularly aged receivables. • Evaluated management's assumption and judgement relating to collection considering business environment in which the Company operates and rights available with the Company to recover amount due from customer (i.e., MoD). • Evaluated management's continuous assessment considering the collection against the overdue/ aged receivables. These considerations include whether there are regular receipts from the customer and the Company's past collection history. • Obtained necessary management representation in this regard.
(b)	Provision and contingent liabilities relating to ongoing litigations	
	<p>The Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.</p> <p>Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigation are</p>	<p>Our audit procedures included, but were not limited to the following;</p> <ul style="list-style-type: none"> • Obtained understanding of the process of identification and measurement of provisions and contingent liabilities relating to ongoing litigations implemented by the Management, through various discussions held with

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	<p>presented in Note No. 38(6) of the Standalone Financial Statements.</p> <p>The assessment of whether a liability is recognised as a provision or disclosed as a contingent liability in the Standalone Financial Statements is inherently subjective and requires significant management judgement in determination of the cash outflows from the business, interpretation of applicable laws and regulations, and careful examination of pending assessments at various levels of authorities.</p> <p>Since the amounts involved are significant and due to the range of possible outcomes leading to high estimation uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p>	<p>Company's legal and finance personnel.</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the controls put in place by the management in relation to assessment of the outcome of the pending litigations. • Inspected the summary of litigation matters and discussed key developments during the year with the Company's Legal and Finance personnel. • Inspected and evaluated, where applicable, external legal advice sought by the Company. Obtained direct confirmations from the dealing lawyers for certain material ongoing litigations. • Discussed and challenged the management's assessment of the likelihood, magnitude and accounting of any liability that may arise in certain material cases based on PPR analysis. Accordingly, we reviewed the amount of contingent liabilities disclosed in the Standalone Financial Statements and exercised our professional judgment to assess appropriateness of such conclusions, involving experts as required. • Evaluated the adequacy of disclosures made in the Standalone Financial Statements in accordance with the applicable accounting standards.
(c)	Provision For Warranty	
	<p>As a part of contractual term, the company's management makes warranty estimation which are established using historical information on the nature, frequency and average</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> • Evaluated management's assumption and judgement relating to estimation of warranty

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<p>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.</p> <p>The company's obligation to replace or repair faulty goods under the standard warranty terms is recognized as a provision and is not adjusted against transaction price as the customer does not have option to purchase warranty separately.</p> <p>Owing to past trend of reversal of excess provision resulting from high estimation uncertainty that requires significant management and auditor judgement, this matter is considered to be a key audit matter for the current year audit.</p>	<p>provision considering business environment in which the Company operates.</p> <ul style="list-style-type: none"> • Obtained an understanding of the Contract terms to evaluate the adequacy of the provision estimated by the management. • Reviewed the past history of warranty claims to evaluate the reasonableness of the warranty provision considered.
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Information other than the Standalone Financial Statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Responsibilities of management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 estimates that are reasonable and prudent, and 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 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, the 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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:

- 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

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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 control.

- Obtain an understanding of internal control 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 Controls 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 the management.
- Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting 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 auditors' report to the related disclosures in the Standalone 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 auditors' 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 Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or

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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 of India in terms of Section 143(11) of the Act, we give in the **Annexure-1**, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. Further to our comments in '**Annexure -1**', as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying Standalone Financial Statements.
 - (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 Standalone Financial Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) The company being a Government Company as defined under section 2(45) of the Act, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of sub-section (2) of Section 164 of the Act, are not applicable to the company.
 - (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in **Annexure-2**.
 - (g) The company being a Government Company as defined under section 2(45) of the Act, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of section 197 of the Act, are not applicable to the company.

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(h) With respect to the other matters to be included in the Auditors' 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;
- ii. The Company does not have any long-term contracts requiring a provision for material foreseeable losses;
- iii. The company does not have any amount required to be transferred, to the Investor Education and Protection Fund;
- iv. (a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

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- v. (a) The final dividend proposed for the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in note no. 38(9) (b) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- (c) The interim dividend declared and paid by the company is in accordance with section 123 of the Act.
- vi. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
3. As required by section 143(5) of the Act, we give in '**Annexure-3**', a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India in respect of the Company.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E

(CA. Beeraka Vijay)
Partner

M. No. 214678
UDIN: 24214678BKCLQO3278



Place: New Delhi
Date: 30 May 2024

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Annexure-1 referred to in paragraph 1 under "Report on Other legal and Regulatory Requirements" section of our report of even date to the members of Bharat Dynamics Limited on the Standalone Financial Statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and, to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets and investment property under which these assets are physically verified in a phased manner over a period of five years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for the properties as stated below for which the Company's management is in the process of getting registered in the name of the Company and for incorporation in revenue records:

Description of the Property	Gross carrying value (INR in lac)	Held in Name of	Whether promoter, director or their relative or employee	Period since held	Reason for not being held in name of the Company
Land at lbrahampatnam (632 Acres 16.50 Guntas)	7,965.16	TSIIC	No	16-02-2017	In the process of registration
Land at Kanchanbagh (146 Acres 32 Guntas)	28.42	DMRL	No	19-10-1972	Pursuing with authorities for incorporation in revenue records
Land at Kanchanbagh (5 Acres 1 Gunta)	0.97	DMRL	No	19-10-1972	

For properties where the Company is a lessee, the lease arrangements have been duly executed but yet to be registered in favour of the Company are as

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stated below:

Description of the Property	Right of Use Asset Value	Location	Detail of Lessor	Period since held	Reason for not being held in name of the Company
Land at Visakhapatnam (3 Acres 25 Guntas)	-	Visakhapatnam	President of India	2-3-2011	Lease deed is executed but yet to be registered.

- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, including inventory lying with third parties etc. In our opinion, the coverage and procedure of such verification by the management is appropriate and discrepancies of 10% or more in the aggregate for each class of inventory as compared to book records were not noticed on such physical verification.
- (b) The Company has been sanctioned a Fund Based working capital overdraft limit of Rs. 15.00 Cr by Union Bank of India against Fixed Deposits and Non-Fund based working capital limit of Rs. 400 Cr by Union Bank of India and Rs. 200 Cr by State Bank of India against floating charge registered as stated under note 38(12) to the standalone financial statements. No quarterly statements, in respect of these facilities are required to be filed by the Company with these banks and accordingly (b) of clause (ii) of para 3 of the order are not applicable
- (iii) The Company has not made any investment 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 (LLPs) or any other parties during the year thereby sub clause (a), (b), (c), (d), (e) and (f) of clause (iii) of para 3 of the order are not applicable.
- (iv) The company being a Government Company as defined under section 2(45) of the Act, pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of section 185 and 186 of the Act, are not applicable to the company.
- (v) The Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as

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amended). Thereby the requirement for reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (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, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Rs. In Lakhs)

S.No	Nature of Statute	Nature of Due	Gross Amount	Amount Paid	Period to which the amounts relates	Forum where dispute is pending
1	Central Sales Tax Act	Central Sales Tax	5,550.83	693.85	2011-12	Writ pending with High Court at Hyderabad
2	Central Sales Tax Act	Central Sales Tax	5,024.27		2012-13	Writ pending with High Court at Hyderabad
3	Central Sales Tax Act	Central Sales Tax	4,266.81		2013-14	Writ pending with High Court at Hyderabad
4	Central Sales Tax Act	Central Sales Tax	6,468.12		2014-15	Writ pending with High Court at Hyderabad
9	Excise Duty Act	Interest	5,306.33		2015-16 TO 2017-18	Appeal pending with CESTAT, Hyderabad
5	Finance Act, 1994	Service Tax	1,883.80	128.43	2015-16 TO 2017-18	Appeal pending with CESTAT, Hyderabad
6	Income Tax Act, 1961	Income Tax	94.37	94.37	AY 2018-19	Appeal remanded back to Jurisdictional Assessing Officer for examination of evidence and to pass a detailed speaking order.
7	Income Tax Act, 1961	Income Tax	732.80	732.80	AY 2021-22	Filed Rectification Request with National Faceless Assessment Centre & Jurisdictional Assessing

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8	Income Tax Act, 1961	Income Tax	3,925.09		AY 2022-23	Officer Filed Rectification Request with National Faceless Assessment Centre & Jurisdictional Assessing Officer
TOTAL			33,252.42	1,649.45		

- Sl. No. 1 & 5, Includes Central Sales tax of ₹ 693.85 lakh and service tax of ₹ 128.43 lakh pre-deposited for filing of appeal.
- Sl. No. 6 & 7, Includes amount recovered from refunds of other assessment years.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) an income during the year. Thereby the requirement for reporting under clause 3(viii) of the Order is not applicable to the Company
- (ix) (a) The Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
(b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
(c) The company has not availed any term loan facilities.
(d) No funds raised by the Company on short term basis have been utilised for long term purposes.
(e) The Company does not have any subsidiaries, associate or joint ventures. Thereby the requirement for reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
(f) The Company does not have any subsidiaries, associate or joint ventures. Thereby the requirement for reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Thereby the requirement for reporting under clause 3(x)(a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares or (fully, partially, or optionally) convertible debentures during the year. Thereby the requirement for reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
(b) No report under sub-section 12 of section 143 of the 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 for the period

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- covered by our audit.
- (c) No whistle blower complaints were received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Thereby the requirement for reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) The Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Thereby the requirement for reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Thereby the requirement for reporting under clauses 3(xvi)(a), (b), (c) and (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Thereby the requirement for reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 38(21)(F) to the Standalone Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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. We,

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however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) The Company does not have any unspent Corporate Social Responsibility (CSR) amounts in respect of other than ongoing projects at the end of the year. Hence the question of reporting in respect of transfer of unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects to Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act does not arise.
- (b) The Company does not have any unspent Corporate Social Responsibility (CSR) amounts as specified under sub-section (5) of section 135 of the Act, in respect of ongoing projects at the end of the year. Hence the question of reporting in respect of transfer of unspent Corporate Social Responsibility (CSR) amounts in respect of ongoing projects as specified under sub-section (5) of section 135 of the Act, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act does not arise.
- (xxi) The Company does not have any subsidiaries, associate or joint ventures. Thereby the requirement for reporting under clause 3(xxii) of the Order is not applicable to the Company.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E

(CA. Beeraka Vijay)
Partner

M. No. 214678

UDIN: 24214678BKCLQO3278



Place: New Delhi
Date: 30 May 2024

Flat No. 301, ACE Classic
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Annexure-2 referred to in paragraph 2 (f) under “Report on Other legal and Regulatory Requirements” section of our report of even date to the members of Bharat Dynamics Limited on the Standalone Financial Statements

Independent Auditors’ Report on the Internal Financial Controls with reference to the Standalone Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to the Standalone Financial Statements of the company as of 31 March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Responsibilities of management and those charged with governance for internal financial controls

The Company’s Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company’s business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ responsibility for the audit of the internal financial controls with reference to financial statements

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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 were 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 Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness

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exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, 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 Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures 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 a material effect on the Standalone Financial Statements.

Inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial

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controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E


(CA. Beeraka Vijay)
Partner
M. No. 214678
UDIN: 24214678BKCLQO3278



Place: New Delhi
Date: 30 May 2024

TEJ RAJ & PAL

Chartered Accountants

Annexure-3 referred to in paragraph 3 under “Report on Other legal and Regulatory Requirements” section of our Independent Auditors’ Report of even date to the members of the company on the Standalone Financial Statements

On the directions issued by the Comptroller and Auditor General of India under section 143(5) of the Act based on the verification of records of the Company and information and explanations given to us, we report that:

Sl. No.	Direction under section 143(5) of the Companies Act 2013	Auditors’ reply on action taken on the directions
1	Whether the Company has a 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.	As per the information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Payroll / Human Capital Management (HCM), Material Management (MM), Commercial billing / Industry Solution Utilities (ISU), etc. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed /carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.
2	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 the audit procedures carried out and as per the information and explanations given to us, there are no cases of restructuring of existing loans or cases of waiver/write off of debts/ loans/ interest etc. made by the lender to the company due to the company’s inability to repay the loan.
3	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its terms and conditions? List the cases of deviation.	To the best of our information and checks applied by us during the course of our audit, during the year 2023-24 no funds have been received / receivable for specific schemes from Central / State agencies. However i.r.o those received in the earlier years

TEJ RAJ & PAL

Chartered Accountants

the funds received have been properly accounted for / utilised as per its terms and conditions.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E


(CA Beeraka Vijay)
Partner

M. No. 214678
UDIN: 24214678BKCLQO3278



Place: New Delhi
Date: 30 May 2024



SUPREME AUDIT INSTITUTION OF INDIA
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स्पीड पोस्टद्वारा

नि-1/बी.डी.एल.लेखा 2023-24/2024-25/167
सं./No.

प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरु - 560 001
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
DEFENCE-COMMERCIAL, BENGALURU - 560 001

26 जुलाई 2024

दिनांक/ DATE.

सेवा मे,
कमोडोर ए माधवराव (सेवानिवृत्त),
अध्यक्ष & प्रबंध निदेशक,
भारत डायनामिक्स लिमिटेड,
कॉर्पोरेट ऑफिस, प्लॉट सं. 38-39, टीएसएफसी बिल्डिंग,
फाइनेंसियल डिस्ट्रिक्ट, नानक्रमगुडा, हैदराबाद - 500032.

महोदय,


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

मैं 31 मार्च 2024 को समाप्त वर्ष के भारत डायनामिक्स लिमिटेड, हैदराबाद के लेखाओं पर कंपनी
अधिनियम 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक का "शून्य
टिप्पणी प्रमाण पत्र" अद्योषित करता हूँ।

कृपया सुनिश्चित करें कि टिप्पणियाँ

1. बिना कोई संशोधन किये पूर्ण रूप से छापी जाये।
2. सूचि में उचित संकेत के साथ कंपनी की वार्षिक रिपोर्ट में सांविधिक लेखापरीक्षकों की रिपोर्ट के आगे रखा जाये।
3. कंपनी अधिनियम 2013 की धारा 143(6)(b) के तहत वार्षिक सामान्य बैठक में रखा जाये।

भवदीय,


(ऋतुराज सिंह)

उपनिदेशक (रिपोर्ट)

संलग्न: यथोपरि

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरु - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.



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सं./No. Insp-1/BDL Accs 2023-24/2024-25/167

प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरु - 560 001

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
DEFENCE-COMMERCIAL, BENGALURU - 560 001

26.07.2024

दिनांक / DATE.

To
Cmde A Madhavarao (Retd),
Chairman and Managing Director,
Bharat Dynamics Limited,
Corporate Office, Plot No.38-39,
TSFC Building, Financial District,
Nanakramguda, Hyderabad – 500 032.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2024.

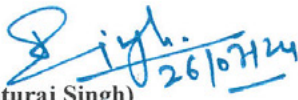
I forward here with **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2024.

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,


(Hrituraj Singh)
Dy. Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरु - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दूर.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@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 2024**

The preparation of Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2024 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 Audit Report dated 30 May 2024.

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 2024 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 auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment 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**

Rajesh Ranjan
(Rajesh Ranjan)

Principal Director of Audit (Defence - Commercial)

Place: Bengaluru

Date: 26 July 2024

BHARAT DYNAMICS LIMITED

IND AS FINANCIAL STATEMENTS - 31st MARCH 2024

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. The Company 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 additional facilities at Amaravati (Maharashtra), Ibrahimpatnam (Telangana) and Jhansi (Uttar Pradesh).

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 material accounting policy information and other explanatory information;
- (f) Comparative information in respect of the preceding period;

Reporting Entity:

Bharat Dynamics Limited (Government of India Enterprise) is a Listed Company limited by shares, incorporated and domiciled in India.

Registered Office :

Kanchanbagh, Hyderabad - 500058

Corporate Office :

Plot No. 38-39, TSFC Building,
Financial District, Nanakramguda
Hyderabad - 500032

Standalone Balance Sheet as at 31st March 2024

(₹ in Lakh)

PARTICULARS	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	67,235.50	64,628.38
(b) Capital Work-in-Progress	2	7,287.48	7,434.66
(c) Investment Property	3	0.97	0.97
(d) Right of use assets	4	5,289.74	5,486.03
(e) Other Intangible Assets	5	9,835.99	10,738.30
(f) Financial Assets			
(i) Investments	6	-	-
(ii) Loans	7	170.22	173.86
(iii) Other Financial Assets	8	10,828.81	10,603.14
(g) Deferred Tax Assets (net)	29A	7,072.81	5,642.02
(h) Other Non-current Assets	9	2,382.50	2,521.52
Total Non - Current Assets		110,104.02	107,228.88
(2) Current Assets			
(a) Inventories	10	198,247.31	182,243.75
(b) Financial Assets			
(i) Trade Receivables	11	31,044.72	18,457.27
(ii) Cash and Cash Equivalents	12	59,384.20	105,288.37
(iii) Bank balances other than (ii) above	13	363,464.00	280,598.00
(iv) Loans	14	199.85	202.16
(v) Other Financial Assets	15	106,163.02	132,411.77
(c) Current tax Assets (net)	29B	4,670.80	11,948.87
(d) Other Current Assets	16	160,727.15	28,864.07
Total Current Assets		923,901.05	760,014.26
Total Assets		1,034,005.07	867,243.14
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	18,328.12	18,328.12
(b) Other Equity	18	345,354.21	302,821.65
Total Equity		363,682.33	321,149.77
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	211.50	374.11
(ii) Other Financial Liabilities	20	4,639.66	4,557.47
(b) Provisions	21	40.07	37.00
(c) Other Non-current Liabilities	22	364,855.77	320,528.18
Total Non-current Liabilities		369,747.00	325,496.76
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	-	-
(ii) Lease Liabilities	24	162.61	146.64
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	25	1,207.05	4,276.06
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	25	78,631.66	42,161.77
(iv) Other Financial Liabilities	26	29,040.03	16,761.58
(b) Other Current Liabilities	27	151,542.21	122,078.82
(c) Provisions	28	39,992.18	35,171.74
(d) Current tax Liabilities, net	29B	-	-
Total Current Liabilities		300,575.74	220,596.61
Total Liabilities		670,322.74	546,093.37
Total Equity and Liabilities		1,034,005.07	867,243.14

Material accounting policy information and accompanying notes form an integral part of the Financial Statements

As per our report of even date,

For Tej Raj & Pal
Chartered Accountants
Firm's Registration No. 304124E



CA Beeraka Vijay
Partner
(M.No.214678)

For and on behalf of the Board



P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
DIN: 10271259



G Gayatri Prasad
Chief Financial Officer



Cmde A Madhavarao (Retd.)
Chairman and Managing Director & Addl. Charge
Director (Finance)
DIN: 09808949



N Nagaraja
Company Secretary
(M.No.A19015)

Place: New Delhi
Date: 30 May 2024

Place: New Delhi
Date: 30 May 2024

Statement of Profit and Loss for the Year ended 31st March 2024

(₹ in Lakh)

PARTICULARS	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
I Revenue from Operations	30	236,927.51	248,939.25
II Other Income	31	36,182.93	15,540.22
III Total Income (I + II)		273,110.44	264,479.47
IV EXPENSES			
Cost of materials consumed	32	111,995.92	121,033.46
Changes in inventories of finished goods and work-in-progress	33	(22,263.15)	(1,903.72)
Employee benefits expense	34	60,000.76	53,246.43
Finance costs	35	310.52	453.64
Depreciation and amortisation expense	36	6,703.92	7,725.79
Other expenses	37	33,538.95	35,743.52
Total expenses (IV)		190,286.92	216,299.12
V Profit/ (Loss) before exceptional items and tax (III-IV)		82,823.52	48,180.35
VI Exceptional Items		-	-
VII Profit before tax (V + VI)		82,823.52	48,180.35
VIII Tax expense			
(1) Current tax	29C	22,874.72	12,775.36
(2) Deferred tax	29C	(1,323.26)	187.50
Total Tax expense		21,551.46	12,962.86
IX Profit/ (Loss) for the year (VII - VIII)		61,272.06	35,217.49
X Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans	38(3)	(427.26)	240.20
(b) Income tax relating to items that will not be reclassified to profit or loss	29C	107.53	(60.45)
Total other comprehensive income		(319.73)	179.75
XI Total comprehensive income for the year (IX + X)		60,952.33	35,397.24
XII Earnings per equity share			
Basic and diluted EPS (in Rupees)	38(2)	16.72	9.61

Material accounting policy information and accompanying notes form an integral part of the Financial Statements

For Tej Raj & Pal

Chartered Accountants
Firm's Registration No. 304124E



CA Beeraka Vijay
Partner
(M.No.214678)

For and on behalf of the Board


P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
DIN: 10271259



G Gayatri Prasad
Chief Financial Officer



Cmde A Madhavarao (Retd.)
Chairman and Managing Director & Addl. Charge
Director (Finance)
DIN: 09808949



N Nagaraja
Company Secretary
(M.No.A19015)

Place: New Delhi
Date: 30 May 2024

Place: New Delhi
Date: 30 May 2024

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

(₹ in Lakh)

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
18328.12	-	18328.12	-	18328.12

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
18328.12	-	18328.12	-	18328.12


B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	
Balance as at April 1, 2023	303,135.54	5,578.96	(5,892.85)	302,821.65
Changes in Accounting Policy	-	-	-	-
Restated balance as at April 1, 2023	303,135.54	5,578.96	(5,892.85)	302,821.65
Profit for the year	-	61,272.06	-	61,272.06
Other comprehensive income for the year (net of tax)	-	-	(319.73)	(319.73)
Final dividend	-	(2,199.38)	-	(2,199.38)
Transfer from Statement of Profit and Loss	40,000.00	-	-	40,000.00
Transfer to General Reserve	-	(40,000.00)	-	(40,000.00)
Interim Dividend	-	(16,220.39)	-	(16,220.39)
Balance as at March 31, 2024	343,135.54	8,431.25	(6,212.58)	345,354.21

Particulars	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	
Balance as at April 1, 2022	288,135.54	2,664.68	(6,072.60)	284,727.62
Changes in Accounting Policy	-	(532.98)	-	(532.98)
Restated balance as at April 1, 2022	288,135.54	2,131.70	(6,072.60)	284,194.64
Profit for the year	-	35,217.49	-	35,217.49
Other comprehensive income for the year (net of tax)	-	-	179.75	179.75
Final dividend	-	(1,832.81)	-	(1,832.81)
Transfer from Statement of Profit and Loss	15,000.00	-	-	15,000.00
Transfer to General Reserve	-	(15,000.00)	-	(15,000.00)
Interim Dividend	-	(14,937.42)	-	(14,937.42)
Balance as at March 31, 2023	303,135.54	5,578.96	(5,892.85)	302,821.65


For Tej Raj & Pal
Chartered Accountants
Firm's Registration No. 304124E


CA Beeraka Vijay
Partner
(M.No.214678)

For and on behalf of the Board


P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
DIN: 10271259


G Gayatri Prasad
Chief Financial Officer


Cmde A Madhavarao (Retd.)
Chairman and Managing Director & Addl. Charge
Director (Finance)
DIN: 09808949


N Nagaraja
Company Secretary
(M.No.A19015)

Place: New Delhi
Date: 30 May 2024

Place: New Delhi
Date: 30 May 2024

Cash Flow Statement for the year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	82,823.52	48,180.35
Adjustments for :		
Depreciation and amortisation expense	6,703.92	7,725.79
Finance costs	310.52	453.64
Interest income	(31,906.37)	(11,176.17)
Profit on Sale of Property Plant and Equipment	6.24	(10.06)
Deferred revenue on customer provided Assets	(828.89)	(1,021.06)
Provisions for expenses	2,537.08	2,622.19
Liabilities / provisions no longer required written back	(10.58)	(959.93)
Fair value adjustment to investment carried at fair value through profit and loss	(125.44)	(130.24)
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
Operating profit before working capital changes	59,510.00	45,684.51
Changes in working capital:		
Adjustments for (increase) / decrease in operating Assets:		
Trade receivables	(12,587.45)	11,958.86
Loans	5.95	11.41
Other Financial Assets	39,089.46	(9,586.05)
Inventories	(16,315.65)	(17,951.00)
Other Assets	(131,863.08)	5,332.72
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	33,400.88	(8,809.15)
Other Financial Liabilities	12,371.22	1,736.23
Other Liabilities	74,888.28	207,955.51
Provisions	(1,731.10)	(1,495.68)
Cash generated from operations	56,768.51	234,837.36
Net income tax paid	(15,596.65)	(21,812.18)
Net cash flow before exceptional items	41,171.86	213,025.18
Exceptional items	-	-
Net cash from/ (used) in operating activities (A)	41,171.86	213,025.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment and Intangible Assets	(8,088.97)	(10,825.71)
Bank Deposits	(82,866.00)	(117,149.00)
Proceeds from sale of Property Plant & Equipment and Intangible Assets	17.47	19.36
Interest received	18,697.02	10,852.42
Net cash from/ (used) in investing activities (B)	(72,240.48)	(117,102.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Finance costs	(171.50)	(314.63)
Repayment of lease liabilities	(146.64)	(131.96)
Dividends paid	(14,517.41)	(16,691.66)
Net cash from/ (used) in financing activities (C)	(14,835.55)	(17,138.25)
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(45,904.17)	78,784.00
Cash and Cash equivalents at the beginning of the year	105,288.37	26,504.37
Cash and Cash equivalents at the end of the year (Refer Note (i) below)	59,384.20	105,288.37
Note (i):		
Cash and Cash equivalents Comprises:		
in current accounts	38,110.17	77,204.89
in deposit accounts	21,269.18	28,076.92
Cash on hand	4.85	6.56
Bank overdraft	-	-
	59,384.20	105,288.37

As per our report of even date.

For Tej Raj & PalChartered Accountants
Firm's Registration No. 304124E

CA Beeraka Vijay
Partner
(M.No.214678)**For and on behalf of the Board**

P V Raja Ram
Director (Production) & Addl. Charge
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N Nagaraja
Company Secretary
(M.No.A19015)Place: New Delhi
Date: 30 May 2024Place: New Delhi
Date: 30 May 2024

Material Accounting Policy Information

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 Compliance with Ind AS:

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) rules, 2015], as amended from time to time and other relevant provisions of the Act.

1.2 Historical cost convention:

The financial statements are prepared under historical cost basis, except for the following:

certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;

defined benefit plans – plan assets measured at fair value

1.3 Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

2. FOREIGN CURRENCY TRANSLATION

2.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Bharat Dynamics Limited's functional and presentation currency.

2.2 Transactions and Balances

- i) Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit and loss.
- ii) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.
- iii) Liability for deferred payments (and receivable from Indian army and ordnance factory) including interest thereon, on supplies/ services from the USSR (erstwhile) is set up at the rate of exchange notified by the Reserve Bank of India for deferred payments including interest thereon under the protocol arrangements between the Government of India and Government of Russia. The differences due to fluctuations in the rate of exchange are charged to revenue.

3. REVENUE RECOGNITION:

A. Revenue from Contract with Customers

(i) Revenue is recognized when (or as) the company satisfies a performance obligation.

(ii) Satisfaction of performance obligation over time

- a. Revenue is recognised overtime where the transfer of control of goods or services take places over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
 - the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
 - the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment including a reasonable profit margin for performance completed to date.
- b. Progress made towards satisfying a performance obligation is assessed based on Input Method on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.
- c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

(iii) Satisfaction of performance obligation at a point in time

- a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.
- b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:
- the company has transferred physical possession of the asset
 - the customer has legal title to the asset
 - the customer has accepted the asset
 - when the company has a present right to payment for the asset
 - The customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Incoterms of the contracts.

Ex-Works contract – In case of Ex-works contract, revenue is recognised when the specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.

FOR Contracts – In the case of FOR contracts, revenue is recognised when the goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period.

Bill and hold Sales:

Bill and hold sales is recognised when all the following criteria are met:

- the reason for the bill and hold sales is substantive
- the product is identified separately as belonging to the customer
- the product is currently ready for physical transfer to the customer
- the company does not have the ability to use the product or to direct it to another customer

(iv) Measurement

- a. Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties and net of estimated liquidated damages.

Exchange rate variation and any other additional consideration is recognised based on contractual terms of the contract.

- b. The company's obligation to replace or repair faulty goods under the standard warranty terms is recognized as a provision and is not adjusted against transaction price as the customer does not have option to purchase warranty separately.
- c. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

Bundled Contracts - In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies the recognition criteria to separately identifiable components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

Multiple Elements - In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their stand-alone selling price.

- d. If the stand-alone selling price is not available the company estimates the stand alone selling price.

(v) Significant financing component

Advances received towards execution of Defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

(vi) Customer financed assets:

The Customer Financed Assets (CFA) are those assets cost of which is funded by the customer, fully or in part. Customer may or may not obtain control over the CFA. The funding by customer is recognised as revenue synchronising it in line with completion of performance obligations in accordance with contractual terms. The expenditure incurred by the company is recognised as per GAAP.

a. Where the company has obtained control over the assets funded by customer:

The assets financed by customer are recognised initially at fair value. The corresponding revenue in respect of a contract is recognised to the extent of executed quantity in proportion to the existing order quantity plus additional quantity, if any, for which orders are anticipated as on the date of receipt of the contract from customer.

b. Where the company has not obtained control over the assets funded by customer:

The expenditure incurred in respect of assets funded by the customer is initially recognised as inventory and revenue is recognised on transfer of control of the asset

B. Other Income:

Recognition of other income is as follows

i) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii) Dividend:

Dividend income is recognized when the Company's right to receive the payment is established.

4. GOVERNMENT GRANTS

- 4.1 Grants from the government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company will comply with all attached conditions.
- 4.2 Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- 4.3 Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations.
- 4.4 Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

5. INCOME TAX

- 5.1 The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

5.2 Current tax:

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

5.3 Deferred tax:

- i) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor the taxable profit (tax loss). Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.
- ii) Deferred tax assets are recognized for all deductible temporary differences and unused losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax asset is also recognised for the indexation benefit on land available for taxation purpose since it results in a temporary difference.
- iii) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the liability simultaneously.
- iv) Current and deferred tax is recognized in profit or loss, except to the extent that it relates to the items recognized in other comprehensive income or directly equity. In this case, the tax is also recognized in other comprehensive income or directly equity, respectively.

6. LEASES

6.1 Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – “Leases” if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

6.2 Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the “net investment in the lease” is presented as a receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

7. INVENTORIES

- 7.1 Inventories are valued at lower of cost and net realizable value. The cost of raw material, components and stores are assigned by using the actual weighted average cost formula and those in transit at cost to date. In the case of stock-in-trade and work-in-progress, cost includes material, labour and related production overheads.
- 7.2 Stationery, uniforms, welfare consumables, medical and canteen stores are charged off to revenue at the time of receipt.
- 7.3 Raw-materials, Components, Construction Materials, Loose Tools and Stores and Spare Parts declared surplus/ unserviceable/ redundant are charged to revenue.
- 7.4 Provision for redundancy is made in respect of closing inventory of Raw materials and Components, Work in progress, Finished Goods, Stores and spare parts, Loose tools and Construction Materials non-moving for more than 5 years. Besides, where necessary, adequate provision is made for redundancy of such inventory in respect of completed/ specific projects and other surplus/ redundant materials pending transfer to salvage stores.

8. FINANCIAL INSTRUMENTS

8.1 Financial Assets:

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value.

i) Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

- o those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- o those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as:

- (a)(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (a)(ii) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- (a)(iii) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

b) Equity instruments

(b)(i) The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(b)(ii) Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Time barred dues from the government / government departments / government companies are generally not considered as increase in credit risk of such financial asset.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients

Where the company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

8.2 Financial liabilities and equity instruments issued by the Company

Classification

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

ii) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company. Trade and other payables are presented as current liabilities if payment is due within 12 months after the reporting period otherwise as non-current. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

iv) Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The derivatives that are not designated as hedges are accounted for at fair value through profit and loss and are included in other gains/ (losses).

a) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial Assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract and are measured at fair value through profit and loss. Embedded derivatives closely related to the host contract are not separated.

b) Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- The functional currency of any substantial party to that contract,
- The currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- A currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

8.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

9. CASH AND CASH EQUIVALENTS:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

10. FAIR VALUE MEASUREMENT

10.1 The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

10.2 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

10.3 For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Measurement

- i. Land is capitalised at cost to the Company. Development of land such as levelling, clearing and grading is capitalised along with the cost of building in proportion to the land utilized for construction of buildings and rest of the development expenditure is capitalised along with cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.
- ii. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical costs includes expenditure that is directly attributable to the acquisition of items.
- iii. Subsequent costs are included in the asset's carrying amount and recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iv. Where the cost of a part of the asset is significant to the total cost of the asset and useful life of that significant part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and the significant part is depreciated on straight line method over its estimated useful life.

11.2 Depreciation method, estimated useful life and residual value:

- i. Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.
- ii. The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act; 2013.
- iii. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

11.3 Disposal

Gains and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

12. INTANGIBLE ASSETS:

12.1 Licences

Separately acquired licences are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

12.2 Computer software

- a) The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits-, is recognised as an Intangible Asset in the books of accounts when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development.

- b) Cost associated with maintaining of software programs are recognized as an expense as incurred.
- c) Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:
 - o It is technically feasible to complete the software so that it will be available for use
 - o Management intends to complete the software and use or sell it
 - o There is an ability to use or sell the software
 - o It can be demonstrated how the software will generate probable future economic benefits
 - o Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
 - o The expenditure attributable to the software during its development can be reliably measured.
- d) Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.
- e) Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

12.3 Research and development

Research expenditure and development expenditure that do not meet the criteria in 12.2(c) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

In the event of the Company financed project(s) being foreclosed/ abandoned, the expenditure incurred up to the stage of foreclosure/ abandonment is charged off to revenue in the year of foreclosure/ abandonment.

12.4 Amortization methods and periods

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Licences	Useful Life/Production
Computer software	3 years

13. INVESTMENT PROPERTY:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

14. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS:

14.1 Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

14.2 An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

14.3 Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

14.4 Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

14.5 A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

15. IMPAIRMENT OF ASSETS:

15.1 Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

15.2 The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

16. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

16.1 Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

16.2 Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

16.3 Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

16.4 Warranty: Warranty on goods sold, wherever applicable, commences once the sale is complete and accordingly provision for such warranty is made. The period, terms and conditions of warranty as per the relevant contract are taken into consideration while determining the provision for such sales.

16.5 Provision for Onerous Contract: A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

17. EMPLOYEE BENEFITS

17.1 Short-term obligations

Liabilities for wages and salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

17.2 Other long term employee benefit obligations

The liability for vacation leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

17.3 Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and contribution towards Provident Fund under the PF Act; and
- (b) Defined contribution plans namely Retired Employee Medical Scheme (REMI)/Post Superannuation Medical Benefit (PSMB), Death Relief Fund (DRF), Employee State Insurance Scheme (ESI) and Pension Scheme(s).

a) Defined benefit plans

The liability or assets recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

b) Defined contribution plans

The Company pays contributions to trusts established as per local regulations and also to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company's contribution paid/ payable to Company approved Retired Employee Medical Scheme (REMI)/Post superannuation Medical Benefit(PSMB), Death Relief Fund (DRF), Employee State Insurance Scheme (ESI) and Pension Scheme are charged to revenue.

17.4 Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefit are measured based on the number of employees expected to accept the offer. Termination Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Compensation paid to Employees under Voluntary Retirement Scheme (VRS) is charged to Statement of Profit and Loss in the year of retirement.

18. CONTRIBUTED EQUITY

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

19. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

20. EARNINGS PER SHARE

20.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

20.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Note 1 to 38 and Material Accounting Policies attached form part of accounts.

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As per our report of even date,

For Tej Raj & Pal

Chartered Accountants
Firm's Registration No. 304124E



CA Beeraka Vijay
Partner
(M.No.214678)

Place: New Delhi
Date: 30 May 2024

For and on behalf of the Board



P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
DIN: 10271259



G Gayatri Prasad
Chief Financial Officer

Place: New Delhi
Date: 30 May 2024



Cmde A Madhavarao (Retd.)
Chairman and Managing Director & Addl. Charge
Director (Finance)
DIN: 09808949



N Nagaraja
Company Secretary
(M.No.A19015)

Notes forming part of the Financial Statements

Note 1: Property, Plant and Equipment

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2023	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2024	Accumulated depreciation/ amortisation as at April 1, 2023	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2024	As at March 31, 2024
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	31,131.01	2,668.20	-	33,799.21	7,615.32	1,126.37	-	-	8,741.69	25,057.52
Fencing and Compound Walls	1,416.75	-	-	1,416.75	1,276.12	57.56	-	-	1,333.68	83.07
Roads and Drains	1,690.40	32.42	-	1,722.82	1,194.74	117.27	-	-	1,312.01	410.81
Water Supply Installations	188.50	28.00	-	216.50	52.61	8.92	-	-	61.53	154.97
Plant, Machinery and Equipment	49,927.58	4,155.26	(210.80)	53,872.04	20,698.70	3,674.17	(84.70)	-	24,288.17	29,583.87
Furniture and Equipment	5,466.79	199.25	(7.40)	5,658.64	4,091.60	467.90	(5.65)	-	4,553.85	1,104.79
Transport Vehicles	764.89	10.14	(39.16)	735.87	461.74	64.08	(37.61)	-	488.21	247.66
Special Tools & Equipment	5,837.30	1,229.21	-	7,066.51	5,204.67	69.69	-	-	5,274.36	1,792.15
Total	105,223.88	8,322.48	(257.36)	113,289.00	40,595.50	5,585.96	(127.96)	-	46,053.50	67,235.50

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	32,081.74	1,154.45	(2,105.18)	31,131.01	7,050.93	1,055.75	(491.36)	-	7,615.32	23,515.69
Fencing and Compound Walls	1,408.15	8.60	-	1,416.75	1,215.00	61.12	-	-	1,276.12	140.63
Roads and Drains	1,690.40	-	-	1,690.40	1,067.93	126.81	-	-	1,194.74	495.66
Water Supply Installations	188.50	-	-	188.50	44.18	8.43	-	-	52.61	135.89
Plant, Machinery and Equipment	54,726.39	4,409.62	(9,208.43)	49,927.58	21,438.81	3,350.55	(4,090.66)	-	20,698.70	29,228.88
Furniture and Equipment	4,926.53	607.94	(67.68)	5,466.79	3,482.94	641.36	(32.70)	-	4,091.60	1,375.19
Transport Vehicles	748.29	149.83	(133.23)	764.89	505.99	70.77	(115.02)	-	461.74	303.15
Special Tools & Equipment	5,416.84	475.91	(55.45)	5,837.30	4,755.28	454.71	(5.32)	-	5,204.67	632.63
Total	109,987.50	6,806.35	(11,569.97)	105,223.88	39,561.06	5,769.50	(4,735.06)	-	40,595.50	64,628.38

Notes:

Freehold Land:

- (a) Freehold Land includes
 - (i) 2 Acres and 08 Guntas (March 31,2023: 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 31,2023: 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 31,2023: ₹ 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 31,2023: 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 2023: ₹ 21.66 Lakh) paid by the company is capitalised.

(₹ in Lakh)

- (c) Free hold land of 632 Acres 16.50 Guntas (as at March 31,2023: 632 Acres 16.50 Guntas) at Ibrahimpatnam, Rangareddy District is taken possession on agreement of sale by paying ₹ 6136.90 Lakh (as at March 31,2023: ₹ 6136.90 lakh) based on tentative fixation of price is capitalised. Gross Carrying Value is ₹ 7965.16 Lakh (as at March 31, 2023 ₹ 7965.16 Lakh) including the environmental fee and development charges incurred.

Buildings :

- (a) Buildings include ₹ 111.01 Lakh as at March 31, 2024 (March 31, 2023 : ₹ 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 (In Years)
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. The company has assessed that there are no indicators of impairment.
- (iv) Refer Note 38(7) for details relating to short closed projects.
- (v) Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company
- (vi) The Property, Plant and Equipment includes assets funded by the customer against which deferred revenue is recognised as the company has control over these assets.

PARTICULARS	As at 31.03.2024			As at 31.03.2023		
	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount
Customer Financed Assets	2,369.40	625.85	1,743.54	2,369.40	523.44	1,845.95

- (vii) The Property, Plant and Equipment does not include assets funded by the customer for use in their contracts but held by the company.

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	12,957.70	10,725.87
Additions	1,018.12	2,231.84
Deletions	-	-
Closing balance	13,975.82	12,957.70

Note 2: Capital Work-in-Progress

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Civil	6,861.05	4,972.84
Plant & Machinery	411.88	2,426.87
Others	14.55	34.95
Total	7,287.48	7,434.66

Notes:

- (i) Refer note 38(6) for capital commitments
(ii) Refer note 38(21)E: Ageing and completion of capital work-in-progress

Note 3: Investment Property

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2023	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2024	Accumulated depreciation/ amortisation as at April 1, 2023	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2024	As at March 31, 2024
Land (held for rentals)	0.97	-	-	0.97	-	-	-	-	-	0.97

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Land (held for rentals)	0.97	-	-	0.97	-	-	-	-	-	0.97

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

Particulars	March 31, 2024	March 31, 2023
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, 2024 and March 31, 2023.

(iv) Fair value

(₹ in Lakh)

Particulars	March 31, 2024	March 31, 2023
Investment properties	2967.16	2967.16

Significant judgement:

As the land given to Indian Navy is within the premises of the company and it would not be possible for the company to give the land to a third party, the Registration department value of the land is considered to be the fair value of the land. The fair value arrived is ₹ 0.122 lakh (₹ 0.122 lakh as at 31st March 2023) per square yard as per the Registration department.

- (v) Impairment is tested as per the accounting policy 15. The company has assessed that there are no indicators of impairment.
- (vi) Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company
- (vii) Refer Note 38(21)B with regard to disclosure relating to valuation by registered valuer as defined under rule 2 of Companies (Registered Valuers & Valuation) Rules, 2017

Note 4: Right of use assets

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2023	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2024	Accumulated depreciation/ amortisation as at April 1, 2023	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2024	As at March 31, 2024
Leasehold Land	8,599.75	-	-	8,599.75	3,555.15	56.92	-	-	3,612.07	4,987.68
Leasehold Building	998.91	-	-	998.91	557.48	139.37	-	-	696.85	302.06
Total	9,598.66	-	-	9,598.66	4,112.63	196.29	-	-	4,308.92	5,289.74

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Leasehold Land	8,599.75	-	-	8,599.75	3,498.23	56.92	-	-	3,555.15	5,044.60
Leasehold Building	998.91	-	-	998.91	418.11	139.37	-	-	557.48	441.43
Total	9,598.66	-	-	9,598.66	3,916.34	196.29	-	-	4,112.63	5,486.03

Leasehold Land :

- (a) Land measuring 3 acres 25 guntas (March 31, 2023: 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, 2023: 553 Acres 34 Guntas) at Amravati for which a premium of ₹ 3922.37 lakh was paid is taken on lease on 07/02/2014 with certain conditions attached to it. One of the main condition is, if the factory building and works are not completed within 60 months from the date of allotment, unless the time is extended, the lease agreement may be cancelled and the lessor may take possession of the leasehold land together with all the erections, if any, on the said land, without paying any compensation to the company. At present the period of investment has been extended upto 05.04.2019. The project for which the land has been taken on lease is under finalisation with Ministry of Defence (MoD), the Company is pursuing for further extension of period of investment. Pending receipt of extension of time period, the company has provided for impairment amounting to ₹ 3217.83 lakh during 2021-22.

(₹ in Lakh)

- (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.

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%.

- Impairment is tested as per the accounting policy 15. The company has assessed that there are no indicators of impairment.

- Refer Note 38(21)A for Title deeds of immovable property not held in the name of the company

Note 5: Other Intangible Assets

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2023	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2024	Accumulated depreciation/ amortisation as at April 1, 2023	Depreciation/ amortisation for the Year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2024	As at March 31, 2024
Development Expenditure	3,324.10	-	-	3,324.10	3,324.10	-	-	-	3,324.10	-
Computer Software	2,286.10	7.89	-	2,293.99	2,216.59	37.16	-	-	2,253.75	40.24
License Fee	21,134.62	11.47	-	21,146.09	10,465.83	884.51	-	-	11,350.34	9,795.75
Total	26,744.82	19.36	-	26,764.18	16,006.52	921.67	-	-	16,928.19	9,835.99

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2022	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2023	Accumulated depreciation/ amortisation as at April 1, 2022	Depreciation/ amortisation for the Year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2023	As at March 31, 2023
Development Expenditure	3,324.10	-	-	3,324.10	3,324.10	-	-	-	3,324.10	-
Computer Software	2,282.63	3.47	-	2,286.10	2,164.24	52.35	-	-	2,216.59	69.51
License Fee	19,914.69	1,219.93	-	21,134.62	8,758.18	1,707.65	-	-	10,465.83	10,668.79
Total	25,521.42	1,223.40	-	26,744.82	14,246.52	1,760.00	-	-	16,006.52	10,738.30

Note: The intangible assets include assets funded by the customer against which deferred revenue is recognised as the company has control over these assets.

(₹ in Lakh)

PARTICULARS	As at 31.03.2024			As at 31.03.2023		
	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount
Customer Financed Assets	4,367.59	4,367.59	-	4,367.59	4,359.41	8.18

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, 2024	As at March 31, 2023
6 Non-current Investments		
Investment carried at fair value through profit and loss (Unquoted)		-
(i) 9,21,920 (as at March 31,2023 9,21,920) (including 3,85,920 Bonus Shares) fully paid-up Equity shares (Unquoted) of ₹ 10/- each of A.P.Gas Power Corporation Limited		-

- Refer note 38(15): Fair value measurement.

Significant Judgement:

Investments in AP Gas Power Corporation Limited have been designated as fair value through profit and loss. Fair value is considered based on Net worth of investee as the shares are unquoted and the company does not have a significant influence in the investee. However, during 2021-22, APGPCL received an adverse arbitration award, the implementation of which is likely to erode the networth of APGPCL. Accordingly Fair value of the investment is considered as 'Nil'.

7 Non current Loans		
Loans to Employees		
- Secured, considered good		-
- Unsecured, considered good	170.22	173.86
	170.22	173.86

Refer note 38(15): Fair value measurement.

(₹ in Lakh)

8 Other Non-current Financial Assets		
Claims/Refunds receivable	6,317.30	6,171.55
Deferred Debts	4,511.51	4,431.59
	10,828.81	10,603.14

Refer note 38(15): Fair value measurement.

Significant Judgement:

Deferred Debts:

Deferred debts are receivables from the Indian Army and Armoured Vehicles Nigam Limited (erstwhile 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, 2024	As at March 31, 2023
9	Other Non-current Assets		
	Capital advances	714.30	714.30
	Deferred expense*	1,668.20	1,807.22
		2,382.50	2,521.52
	* Refer the significant judgement on Deferred Debts in Note No. 8		
10	INVENTORIES *		
	Raw Materials and Components	127,814.42	134,210.93
	Less: Provision	(6,719.24)	(6,105.60)
	GIT of Raw Materials and Components	40.11	269.09
		121,135.29	128,374.42
	Work-in-progress#	53,182.67	51,078.76
	Less: Provision	(759.72)	(1,119.98)
		52,422.95	49,958.78
	Finished Goods	20,655.10	495.86
	Less: Provision	(150.19)	(150.19)
	GIT of Finished Goods	-	314.49
		20,504.91	660.16
	Stores and Spare Parts	3,845.49	2,867.94
	Less:Provision	(278.85)	(279.25)
	GIT of Stores and Spare Parts	-	-
		3,566.64	2,588.69
	Loose Tools	995.72	1,006.25
	Less:Provision	(378.40)	(344.75)
	GIT of Loose Tools	-	-
		617.32	661.50
	Construction Materials	-	-
	Stores & Equipment - Welfare	315.86	312.63
	Less: Amortisation	(315.86)	(312.63)
		-	-
	Miscellaneous Stores	0.20	0.20
		198,247.31	182,243.75
	# Includes Inventory with Customers	-	9.20
	* Include Material issued to Sub-contractors/Others	9,712.49	11,695.58
	- Out of ₹ 9,712.49 lakh (as at March 31,2023 ₹ 11,695.58 lakh), material lying with sub contractors ₹ 9,132.30 Lakh (as at March 31,2023 ₹ 9,426.66 Lakh) were confirmed / physically verified by the vendors. Differences on confirmation / physical verification of material lying with subcontractors of ₹ 118.87 Lakh (₹ 55.57 Lakh as at March 31,2023) is shown as claims receivable and reduced from inventories.		
	- Valuation of Inventories has been made as per Company's Accounting Policy No. 7.		
	- Refer note 38(7): Details of short closed projects,38(12) Charges registered.		

(₹ in Lakh)

PARTICULARS		As at March 31, 2024	As at March 31, 2023
11	Trade Receivables		
	Secured	-	-
	Unsecured, considered good	31,044.72	18,457.27
	Doubtful	-	-
	Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
		31,044.72	18,457.27

Refer Note: 38(15): Fair value measurement; 38(12) Charges registered.

Refer Note: 38(20)(F): Movement of Trade Receivables

Ageing schedule for Trade Receivables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	26,513.29	935.27	3,170.04	351.71	74.41	31,044.72
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables - considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
Total Trade Receivables	26,513.29	935.27	3,170.04	351.71	74.41	31,044.72

Ageing schedule for Trade Receivables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	12,707.15	2,264.65	2,941.91	348.88	194.68	18,457.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						
(iii) Undisputed Trade Receivables - credit impaired						
(iv) Disputed Trade Receivables - considered good						
(v) Disputed Trade Receivables - which have significant increase in credit risk						
(vi) Disputed Trade Receivables - credit impaired						
Total Trade Receivables	12,707.15	2,264.65	2,941.91	348.88	194.68	18,457.27

(₹ in Lakh)

PARTICULARS		As at March 31, 2024	As at March 31, 2023
12	Cash and Cash Equivalents		
	Balances with Banks		
	- in current accounts	38,110.17	77,204.89
	- in deposit accounts (Up to 3 months)	21,269.18	28,076.92
	Cash on hand*	4.85	6.56
	Remittances in transit	-	-
		59,384.20	105,288.37
	There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.		
	* Cash on hand includes cash held with imprest holders		
	Refer note 38(15): Fair value measurement.		
13	Other Bank balances		
	Bank deposits other than margin money (Maturity period more than 3 months but less than 12 months)	363,464.00	280,598.00
		363,464.00	280,598.00
	- The company has been sanctioned an overdraft facility of ₹ 1,500.00 lakhs against which the company had pledged deposits worth ₹ 1,800.00 lakhs as security. Overdraft utilized and outstanding is Nil as at March 31, 2024 (Nil as at March 31, 2023).		
	- There are no bank deposits with maturity beyond 12 months.		
	Reconciliation of Cash and Bank balances:		
	Cash and Cash Equivalents (as per the above)	59,384.20	105,288.37
	Bank Balance (as per the above)	363,464.00	280,598.00
	Total Cash and Bank balances	422,848.20	385,886.37
14	Current Loans		
	Loans to Employees		
	- Secured, considered good	-	-
	- Unsecured, considered good	199.85	202.16
	Total Current Loans	199.85	202.16
	Also refer note 38(15): Fair value measurement.		

(₹ in Lakh)

PARTICULARS		As at March 31, 2024	As at March 31, 2023
15	Other Current Financial Assets		
	Claims/Refunds receivable	2,728.02	3,360.78
	Less: Provision for doubtful claims (Refer Note below)	(21.47)	(21.47)
	Deferred Debts*	421.60	394.74
	Unbilled Receivables#	87,456.12	126,165.35
	Interest accrued on Deposits	15,562.34	2,499.47
	Interest accrued - Others	16.13	12.62
	Other Assets held for sale	0.28	0.28
	Total Other Current Financial Assets	106,163.02	132,411.77

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 Lakhs with interest, being amount paid towards material purchases, which were subsequently rejected and taken back by the supplier but failed to supply the correct material. The case was decreed in favour of M/S BDL(ex-parte) and has to be executed.

16	Other Current Assets		
	Advances other than capital advances:		
	Advances to vendors		
	- Secured, considered good	13,008.57	413.40
	- Unsecured, considered good	141,508.09	24,167.39
	- Unsecured, considered doubtful	-	-
	Less: Provision for doubtful advances	-	-
	Prepaid expenses	298.44	309.77
	Deposits@	1,610.26	3,547.69
	Deferred Expense*	139.02	139.02
	Earmarked balances with banks for unpaid dividend	4,081.98	179.62
	CSR Expenditure available for setoff #	80.79	107.18
	Total Current Assets	160,727.15	28,864.07

Refer note 38(7): Details of short closed projects.

* Refer the significant judgement on Deferred Debts in Note No. 8

Refer note 38(23) for Movement in CSR provision

@ Includes Central Sales tax of ₹ 693.85 lakh (as at March 31, 2023 ₹ 698.85 Lakh) and service tax of ₹ 128.43 (as at March 31, 2023 ₹ 128.43 Lakh) lakh pre-deposited for filing of appeal.

(₹ in Lakh)

PARTICULARS		As at March 31, 2024	As at March 31, 2023
17	Equity Share Capital:		
	Authorised		
	20,00,00,000 Equity Shares of ₹ 10/- each	20,000.00	20,000.00
	Issued, Subscribed and paid up		
	18,32,81,250 Equity Shares of ₹ 10/- each fully paid	18,328.12	18,328.12
		18,328.12	18,328.12

Notes:

Equity shares 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.

The Board of directors of the company at its meeting held on 21st March 2024, recommended the sub-division / split of one fully paid up equity share having a face value of ₹ 10 each into 2 fully paid up equity shares having a face value of ₹ 5 each by alteration of capital clause of the memorandum of association (MOA) subject to the approval of the members of the company. The members of the company approved the sub-division / split of one full paid up equity share of ₹ 10 each into two fully paid up equity share of ₹ 5 each through a postal ballot with a requisite majority and the voting results were declared on 29 April, 2024.

Further the record date for split / sub-division of equity shares is 24th May 2024. Consequent to this, the authorized share capital comprises of 40,00,00,000 equity shares having a face value of ₹ 5 each aggregating to ₹ 20,000.00 Lakhs and the paid up share capital comprises of 36,65,62,500 equity shares having a face value of ₹ 5 each aggregating to ₹ 18,328.12 lakhs.

(A) Reconciliation of the number of Shares outstanding:

(₹ in Lakh)

Particulars	Number of Shares	Amount
Balance as at March 31, 2022	183,281,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2023	183,281,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2024	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, 2024		As at March 31, 2023	
		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	HDFC Trustee Company Limited	5,514,405	3.01%	12,883,927	7.03%

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

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
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Number of shares bought back (nos.)

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

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
No. of Bonus Shares issued (nos.)	-	-	-	-	-	-
Value of Bonus Shares issued (₹ in lakh)	-	-	-	-	-	-

(E) Details of shareholding of Promoters

S No	Promoter name	As at March 31, 2024		% change during 2023-24	As at March 31, 2023		% change during 2022-23
		No. of Shares	% of total shares		No. of Shares	% of total shares	
Fully paid equity shares							
1	Government of India	137,325,527	74.93%	-	137,325,527	74.93%	-

PARTICULARS		As at March 31, 2024	As at March 31, 2023
18	Other Equity		
	General Reserve	343,135.54	303,135.54
	Retained Earnings	8,431.25	5,578.96
	Other Comprehensive Income - Remeasurement of the defined benefit plans	(6,212.58)	(5,892.85)
	Balance at end of year	345,354.21	302,821.65
	A. General Reserve		
	Balance at beginning of year	303,135.54	288,135.54
	Transfer to Capital Redemption Reserve	-	-
	Buyback Premium Written off	-	-
	Transfer from Statement of Profit and Loss	40,000.00	15,000.00
	Bonus shares issued	-	-
	Balance at end of year	343,135.54	303,135.54
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
	B. Retained Earnings		
	Balance at beginning of year	5,578.96	2,664.68
	Profit for the year	61,272.06	35,217.49
	Final dividend	(2,199.38)	(1,832.81)
	Interim Dividend	(16,220.39)	(14,937.42)
	Adjustment due to change in Accounting Policy	-	(532.98)
	Transfer to General Reserve	(40,000.00)	(15,000.00)
	Balance at end of year	8,431.25	5,578.96

(₹ in Lakh)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
C. Other Comprehensive Income - Remeasurement of the defined benefit plans		
Balance at beginning of year	(5,892.85)	(6,072.60)
Other comprehensive income (net of tax)	(319.73)	179.75
Balance at end of year	(6,212.58)	(5,892.85)
19 Non- Current Lease Liabilities		
Lease Liabilities	211.50	374.11
	211.50	374.11
20 Other Non - Current Financial Liabilities		
Deferred Credit	1,545.94	1,612.53
Embedded derivative liability (Deferred liability)	3,093.72	2,944.94
	4,639.66	4,557.47
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	40.07	37.00
Employee benefits		
Accrued Leave	-	-
Gratuity	-	-
Provident Fund	-	-
	40.07	37.00
- Refer note 38(3) : Employee Benefit Obligations		
22 Other Non - Current Liabilities		
Advances from Customers-\$		
Ministry of Defence (MoD)	265,688.26	270,624.95
Others	94,744.34	45,275.25
Deferred Income*	1,715.58	1,858.55
Deferred Revenue #	2,707.59	2,769.43
	364,855.77	320,528.18
* Refer the significant judgement on Deferred Credit in note No.20		
# Includes grant for solar plant - Refer note 38 (19).		
\$ Refer note 38(20)(C) : Movement of Contract Assets and Liabilities		
Also Refer Accounting Policy no.3 A (vi) and 4.4		

(₹ in Lakh)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
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	162.61	146.64
	162.61	146.64
25 Trade Payables		
Trade Payables - Current:		
Dues to micro enterprises and small enterprises	1,207.05	4,276.06
Dues to creditors other than micro, small and medium enterprises	78,631.66	42,161.77
	79,838.71	46,437.83
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	1,207.05	4,276.06
- Interest	-	-
(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	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
- Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.		

(₹ in Lakh)

Ageing schedule for Trade Payables as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,207.05					1,207.05
(ii) Others	27,921.21	39,557.12	3,597.45	399.80	7,156.08	78,631.66
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						
Total Trade Payables	29,128.26	39,557.12	3,597.45	399.80	7,156.08	79,838.71

Ageing schedule for Trade Payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1,361.75	523.36	1,580.35	452.79	357.81	4,276.06
(ii) Others	9,352.66	22,999.13	962.50	1,500.60	7,346.88	42,161.77
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						
Total Trade Payables	10,714.41	23,522.49	2,542.85	1,953.39	7,704.69	46,437.83

PARTICULARS	As at March 31, 2024	As at March 31, 2023
26 Other Current Financial Liabilities		
Current maturities of Deferred credit*	433.57	405.95
Deposits	1,433.12	1,274.48
Creditors for expenses	20,136.35	7,716.12
Employee benefits payable	6,208.58	6,835.04
Capital works	681.79	255.87
Others	146.62	274.12
	29,040.03	16,761.58

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)	66,460.66	86,957.45
- Others	72,435.64	22,812.78
Deferred Income*	142.97	142.97
Deferred Revenue	-	828.89
Statutory remittances	12,502.94	11,336.73
	151,542.21	122,078.82

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
28 Current Provisions		
Employee benefits		
- Gratuity	1,066.43	521.37
- Accrued leave	925.20	917.23
- Provident Fund	1,290.02	2,306.97
Warranty	13,115.12	11,230.05
Onerous contract	-	785.03
Future charges	1,870.84	1,870.84
Others	21,724.57	17,540.25
	39,992.18	35,171.74

Movement in provisions				
Provisions	Warranty	Onerous Contract	Future Charges	Others
Balance as at March 31, 2023	11,230.05	785.03	1,870.84	17,540.25
Additional provisions recognised	3,820.39	-	-	4,419.50
Utilisation during the year	(84.58)	(785.03)	-	-
Reversals during the year	(1,850.74)	-	-	(235.18)
Balance as at March 31, 2024	13,115.12	-	1,870.84	21,724.57

Warranties:

Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 2 years from the date of supply.

Onerous contract:

Provision for onerous contract represents the loss assessed by the company on its executory sale contracts. Such loss will be provided as and when the assessment is made, by the company during the course of execution / at the inception of such contracts. The provision is reviewed periodically.

Future charges:

Provision for future charges represents the estimated liability on account of revised ancillary/ packing material accepted to be delivered in lieu of ancillary/ packing material originally stipulated in the contract terms for the sales effected earlier and value of spares sent to forward location on user request for serviceability to avoid breakdown in emergency situations.

PARTICULARS	As at March 31, 2024	As at March 31, 2023
29 Income Taxes		
29A Deferred Tax Balance		
Deferred Tax Assets	12,804.13	11,082.07
Deferred Tax Liabilities	5,731.32	5,440.05
Total	7,072.81	5,642.02
Breakup of Deferred Tax balances		
Deferred Tax Assets		
Freehold Land	-	-
Lease Liability	94.16	131.06

(₹ in Lakh)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Provisions	12,135.80	10,427.73
Fair value adjustment to Deferred credit	574.17	492.47
Other Current Financial Liabilities	-	30.81
Sub-Total	12,804.13	11,082.07
Deferred Tax Liabilities		
Property plant and Equipment	3,695.71	3,474.09
Right of use assets	76.02	111.09
Intangible Assets	1,401.28	1,376.00
Fair value of investments		
- Equity Shares in unlisted Company	-	-
- Mutual Funds	-	-
Fair value adjustment to Deferred debts	558.31	478.87
Others	-	-
Sub-Total	5,731.32	5,440.05
Net Deferred Tax Asset/(Liability)	7,072.81	5,642.02

**Reconciliation of Deferred Tax Balances:
For 2023-24**

Particulars	Opening Balance	Recognised in Opening Reserves	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets pertaining to :					
Freehold Land	-				-
Lease Liability	131.06		(36.90)		94.16
Provisions	10,427.73		1,600.54	107.53	12,135.80
Fair value adjustment to Deferred credit	492.47		81.70		574.17
Other Current Financial Liabilities	30.81		(30.81)		-
Sub total	11,082.07	-	1,614.53	107.53	12,804.13
Deferred Tax Liabilities pertaining to :					
Property plant and Equipment	3,474.09		221.62		3,695.71
Right of use asset	111.09		(35.07)		76.02
Intangible Assets	1,376.00		25.28		1,401.28
Fair value of investments					
- Equity Shares in unlisted Company	-				-
- Mutual Funds	-				-
Fair value of Deferred Debt	478.87		79.44		558.31
Others	-				-
Sub total	5,440.05	-	291.27	-	5,731.32
Total	5,642.02	-	1,323.26	107.53	7,072.81

**Reconciliation of Deferred Tax Balances:
For 2022-23**

Particulars	Opening Balance	Recognised in Opening Reserves	Recognised in statement of Profit and loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred Tax Assets pertaining to :					
Freehold Land	-	-	-	-	-
Lease Liability	164.27	-	(33.21)	-	131.06
Provisions	10,270.49	-	217.69	(60.45)	10,427.73
Fair value adjustment to Deferred credit	312.70	-	179.77	-	492.47
Other Current Financial Liabilities	-	-	30.81	-	30.81
Sub total	10,747.46	-	395.06	(60.45)	11,082.07
Deferred Tax Liabilities pertaining to :					
Property plant and Equipment	3,108.28	(179.26)	545.07	-	3,474.09
Right of use asset	146.17	-	(35.08)	-	111.09
Intangible Assets	1,478.23	-	(102.23)	-	1,376.00
Fair value of investments	-	-	-	-	-
- Equity Shares in unlisted Company	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
Fair value adjustment to Deferred debts	304.07	-	174.80	-	478.87
Others	-	-	-	-	-
Sub total	5,036.75	(179.26)	582.56	-	5,440.05
Total	5,710.71	179.26	(187.50)	(60.45)	5,642.02

PARTICULARS	As at March 31, 2024	As at March 31, 2023
29B Current Tax Assets and Liabilities		
Current Tax Assets	4,670.80	11,948.87
Total Current Tax Assets	4,670.80	11,948.87
Current Tax Liabilities	-	-
Total Current Tax Liabilities	-	-

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
29C Tax Expense		
i) Recognised in the Statement of Profit and Loss		
Current Tax		
In respect of the current year	22,874.72	12,236.66
In respect of prior years	-	538.70
Total	22,874.72	12,775.36
Deferred Tax		
In respect of the current year	(1,323.26)	187.50
Total	(1,323.26)	187.50
ii) Recognised in Other comprehensive income		
Tax Expense		
In respect of the current year	107.53	(60.45)
Total	107.53	(60.45)

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
The Income Tax expense for the year can be reconciled to the accounting profit as follows		
Profit before tax from continuing operations	82,823.52	48,180.35
Tax expense of amounts which are not deductible (taxable) in calculating taxable income		
Income tax expense calculated at 25.168% (FY 2022-23 : 25.168%)	20,845.02	12,126.03
Donations made during the year	0.38	0.25
Amount towards CSR activities	262.78	306.52
Interest due to MSME's	-	0.28
Impairment Loss	-	142.77
Others	1,323.55	(339.19)
Interest payable u/s 234A, 234B, 234C	443.07	-
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	(1,430.79)	247.95
Adjustment for current tax of previous years		
Adjustments recognised in the current year in relation to the earlier years	-	538.70
Income tax relating to items that will not be reclassified to profit/loss	107.53	(60.45)
Income tax expense recognised in profit or loss	21,551.54	12,962.86
Income tax recognised in Other comprehensive income	107.53	(60.45)
Income tax recognised in Other comprehensive income	107.53	(60.45)
PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
30 Revenue from Operations		
Sale of products		
Finished Goods	211,032.08	220,115.67
Spares	15,077.67	16,104.75
Miscellaneous	11.51	2,233.48
LD refunded / (levied) by Customers	(6,144.63)	(3,073.90)
	219,976.63	235,380.00
Sale of services*		
Repairs and Overhauls	8,539.83	3,788.23
Training	-	-
Job Works	6,126.72	7,703.28
Miscellaneous	495.69	22.24
LD refunded / (levied) by Customers	(81.26)	9.12
	15,080.98	11,522.87
Other operating revenue		
Construction Contracts	-	-
Sale of Scrap	255.40	79.47
Deferred revenue on customer provided assets	828.89	1,021.06

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
Solar Power	723.78	874.01
Provisions no longer required, written back	-	-
Other Claims	61.83	61.84
LD refunded / (levied) by Customers	-	-
	1,869.90	2,036.38
Total	236,927.51	248,939.25

- 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

***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, 2024	For the year ended March 31, 2023
31 Other Income		
Interest income on financial assets carried at amortised cost		
Bank deposits	30,573.45	9,758.26
Others	1,332.92	1,417.91
	31,906.37	11,176.17
Other non-operating income		
Liabilities no longer required, written back	10.58	959.93
Liquidated Damages recovered from suppliers	2,626.18	4,306.21
Miscellaneous income (net)	458.02	435.18
	3,094.78	5,701.32
Other gains and losses		
Net foreign exchange gain / (Loss)	1,062.58	(1,477.57)
Fair value gain/(loss) on financial assets measured at Fair value through profit and loss	125.44	130.24
Gain on disposal of property, plant and equipment	(6.24)	10.06
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
	1,181.78	(1,337.27)
Total	36,182.93	15,540.22

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
32 Cost of Materials consumed		
Cost of materials consumed	110,840.93	120,608.69
Direct expenses	1,154.99	424.77
	111,995.92	121,033.46
<p>- An amount of ₹ 16491.29 lakh has been adjusted to cost of materials consumed on account of refund received during the year 2023-24 from customer and consequent liability reversed against reimbursement of expenditure incurred in the past on materials / stores procured by the company in accordance with terms of the contract.</p>		
33 Changes in Inventories of Finished Goods and Work-in-progress		
Opening Stock:		
Finished goods	495.86	2,904.80
Work-in-progress	51,078.76	46,766.10
	51,574.62	49,670.90
Closing Stock:		
Finished goods	20,655.10	495.86
Work-in-progress	53,182.67	51,078.76
	73,837.77	51,574.62
Net (Increase) / Decrease	(22,263.15)	(1,903.72)
34 Employee Benefits Expense		
Salaries and wages, including bonus	44,590.37	43,967.78
Contribution to provident and other funds	12,980.22	7,325.31
Staff welfare expenses	2,430.17	1,953.34
Total	60,000.76	53,246.43
<p>Refer note 38(3): Employee Benefit obligations and 38(8): Related party transactions</p> <p>- Board in its meeting held on 03 November 2023 consented additional employer contribution to Pension fund @3% of Basic+DA of employees w.e.f. 01 January 2017. In view of additional contribution, provision has been created for an amount of ₹ 5401.91 lakh for the period from 01 January 2017 to 31 March 2024 out of which ₹ 802.49 lakh is for the year ended 31 March 2024.</p>		
35 Finance Costs		
Interest expense	171.50	314.62
Other finance costs	139.02	139.02
Total	310.52	453.64
36 Depreciation and Amortisation expense		
Depreciation of property, plant and equipment	5,585.96	5,769.50
Amortisation of right of use asset	196.29	196.29
Amortisation of intangible assets	921.67	1,760.00
Total	6,703.92	7,725.79

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
37 Other Expenses		
Shop Supplies	168.88	466.22
Power and Fuel	2,327.47	2,051.50
Water Charges	417.96	397.10
Travelling #	1,738.70	1,569.23
Repairs:		
Buildings	1,812.18	1,274.89
Plant, Machinery and Equipment	2,159.25	1,533.60
Furniture and Equipment	147.90	132.72
Vehicles	20.55	18.88
Others	27.47	31.99
Vehicle Expenses - Petrol and Diesel	113.82	66.06
Loose Tools and Equipment	75.29	84.57
Insurance	705.01	553.76
Rates and Taxes	181.03	167.48
Postage, Telegrams, Telex and Telephones	134.61	135.05
Printing and Stationery	129.02	63.63
Publicity	652.59	1,008.39
Advertisement	174.45	133.38
Bank Charges	49.97	101.52
Legal Expenses	6.81	14.88
Donations	1.50	1.00
Write off - Others	-	-
Auditors' Remuneration: (refer note (i) below)	17.53	21.80
Security Arrangements	5,202.93	5,246.11
Computer Software and Development	-	2.63
Entertainment	1.22	36.21
Courtesy	-	-
Sitting Fee paid to Directors	20.45	15.80
Sitting Fee paid to Independent External Monitors	6.50	6.00
CSR & Sustainable Development Expenditure	1,044.12	1,217.89
Provision for Replacement, Warranty and Batch Rejections	1,969.64	1,264.84
Provision for Redundancy	312.09	1,152.38
Provision for Onerous Contract	-	-
Provision Others	255.35	204.97
Miscellaneous Operating Expenses:		
Testing of Materials	3,057.37	3,219.15
Proof Firing Expenses	8.16	12.25
Manpower Hiring Charges	1,209.74	1,020.68
Material Handling Charges	998.82	979.63
Hiring of Vehicles	734.20	921.30
D and D Expenses	2,628.18	7,364.11
Others	5,028.19	3,251.92
Total	33,538.95	35,743.52
# Includes Directors' Travelling Expenses	108.84	151.28

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2024	For the year ended March 31, 2023
Notes:		
i) Auditors' Remuneration comprises Fee:		
Particulars		
For Statutory Audit *	12.50	15.00
For Tax Audit	1.25	1.25
For other services	3.50	5.05
For reimbursement of expenses	0.28	0.50
Total Auditors' remuneration	17.53	21.80
* 2022-23 fee Include ₹ 2.50 Lakh pertaining to FY 2021-22		
ii) Refer note 28: Current Provisions		
iii) Refer note 38(5): Expenditure relating to Research and Development.		
iv) Refer note 38(8): Related party transactions		

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) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

MCA has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend Ind AS 1 (Presentation of Financial Statements), Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and Ind AS 12 (Income Taxes) which are effective for annual periods beginning on or after 1 April 2023. These Changes are incorporated in the Financial Statements but does not have any impact on the measurement, recognition or presentation of any items in the Financial Statements.

38(2) Earnings per share**(i) For continuing operations:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax	61,272.06	35,217.49
Basic:		
Number of shares outstanding at the end of the year	366,562,500	366,562,500
Weighted average number of equity shares	366,562,500	366,562,500
Earnings per equity share of ₹ 5/- each (INR)	16.72	9.61
Diluted:		
Effect of potential equity shares on employee stock options outstanding	-	-
Weighted average number of equity shares outstanding	366,562,500	366,562,500
Earnings per share of ₹ 5/- each (INR)	16.72	9.61

Notes:

- EPS is calculated based on profits excluding the other comprehensive income.
- Number of shares outstanding at the end of the year is adjusted for the impact of sub division of 1 fully paid up equity share having a face value of ₹ 10 each into 2 fully paid up equity shares having a face value of ₹ 5 each. Consequent to this number of equity shares as at March 31, 2024 and March 31, 2023 increased by 2 times for the purpose of calculation of basic and diluted EPS as per Ind AS 33.

(ii) For discontinuing operations:

There are no discontinuing operations.

(iii) For continuing and discontinuing operations:

Refer to the table (i)

38(3) Employment Benefit obligations

(i) Post-employment obligations- Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day's salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to a separate trust. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity

Changes in the Present value of Obligation

Particulars	March 31, 2024	March 31, 2023
Present value of Obligation at the beginning of the year	21,767.31	22,212.50
Current service cost	555.10	548.33
Interest expense or cost	1,500.31	1,489.23
Remeasurements		
(Gain)/loss from change in demographic assumptions	133.24	181.98
(Gain)/loss from change in financial assumptions	194.11	(293.66)
Experience (gains)/loss	200.39	221.69
Benefit paid	(3,311.83)	(2,592.76)
Present value of Obligation at the end of the year	21,038.63	21,767.31

Changes in the Fair value of Plan Assets

Particulars	March 31, 2024	March 31, 2023
Fair value of Plan Assets at the beginning of the year	21,701.72	22,591.12
Interest income	1,497.87	1,516.18
Employer contributions	65.59	-
Benefit payments	(3,311.83)	(2,592.76)
Remeasurements - Return on Assets (Excluding Interest Income)	18.85	187.18
Fair value of Plan Assets at the end of the year	19,972.20	21,701.72

Expenses recognised during the period

Particulars	March 31, 2024	March 31, 2023
In the Statement of Profit and Loss	557.54	521.38
In Other Comprehensive Income	508.89	(77.17)
Total	1,066.43	444.21

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

Particulars	March 31, 2024	March 31, 2023
Present value of funded obligations	21,038.63	21,767.31
Fair value of plan assets	19,972.20	21,701.72
Deficit of funded plans	1,066.43	65.59

The significant actuarial assumptions were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.21%	7.46%
Salary escalation	6.00%	6.00%
Attrition rate	6.72%	5.52%

(₹ in Lakh)

Sensitivity analysis

Particulars	March 31, 2024	March 31, 2023
Defined Benefit Obligation	21,038.63	21,767.31
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	20,287.51	20,954.47
Decrease: -1%	21,861.31	22,658.51
Salary Growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	21,451.28	22,201.15
Decrease: -1%	20,620.62	21,320.06
Attrition rate: (% change compared to base due to sensitivity)		
Increase : +1%	21,140.48	21,891.44
Decrease: -1%	20,928.50	21,633.34

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)

Central government security	4,907.82	5,332.82
State government security	8,481.92	9,216.42
NCD/ Bonds	4,445.49	4,830.45
Equity	1,286.08	1,397.45
Fixed deposit	67.57	73.42
CBLO	572.04	621.58
Loans	2.82	3.06
Other approved security	208.47	226.52
	19,972.20	21,701.72

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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:

Particulars	Less than a year	Between 2-3 years	Between 4-5 years	Total
31-Mar-24				
Defined benefit obligation - Gratuity	4,270.16	8,064.53	5,021.15	17,355.85

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.

(₹ in Lakh)

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(ii) Provident Fund

Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. This is a defined benefit plan and the Company has got the same actuarially valued.

Company has provided an amount of Nil (Nil during 2022-23) towards interest shortfall of the provident fund trust for the current year which has been recognised in Statement of Profit and Loss.

In view of the uncertainties regarding recoverability of certain instruments made by the PF Trust, during the year 2023-24 an amount of ₹ 81.63 lakhs (₹ 163.03 lakhs during 2022-23) has been reversed due to realisation of higher amounts than the provision made earlier.

Actuarial Assumptions	March 31, 2024	March 31, 2023
	(Funded)	(Funded)
Discount rate	7.21%	7.46%
Rate of escalation in salary	6.00%	6.00%
Interest Rate Guarantee on Provident Fund	*	8.15%
Interest Rate declared by BDL PF Trust	*	8.15%

* 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, 2024	March 31, 2023
The Actuarial Liability of Accumulated absences of the employees of the Company	13880.71	14004.97
Less: Plan assets	12955.51	13087.74
Net obligation / (Asset)	925.20	917.23
Significant assumptions:		
Discounting Rate	7.21% P.A.	7.46% P.A.
Salary escalation Rate	6.00%	6.00%
Retirement Age	60 YEARS	60 YEARS

(iv) Post Retirement Medical Scheme

Particulars	March 31, 2024	March 31, 2023
a) Contributions made to Post Superannuation Medical Benefits for the Employees retired before 01 Jan 2007- PSMB-I	1,061.94	839.40
b) Contributions made to Post Superannuation Medical Benefits for the Executives retired after 01 Jan 2007- PSMB-II	338.99	342.11
c) Contributions made to Post Superannuation Medical Benefits for the Non-Executives retired after 01 Jan 2007-PSMB-III	463.31	460.46

(₹ in Lakh)

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, 2024	March 31, 2023
Contract Revenue recognised during the year	-	-
Aggregate amount of cost incurred	-	-
Profit Recognised	-	-
Amount of retention money due	-	-
Amount of advance received and outstanding	19,864.27	19,864.27

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, 2024	March 31, 2023
Being in the nature of Revenue expenditure	7,536.93	12,517.50
Being in the nature of Capital expenditure (Assets Capitalised)	1,541.62	2,685.37

- Research & Development Expenditure as above is stated at net cost to the company

38(6) Contingent Liabilities & Contractual Commitments:

(₹ in Lakh)

Contingent Liabilities Not Provided for:	March 31, 2023	March 31, 2022
Outstanding Letters of Credit and Guarantees:		
(i) Letters of Credit	25.74	239.81
(ii) Guarantees and Counter Guarantees	5,964.30	9,643.19
Total	5,990.04	9,883.00
Claims / Demands against the Company not acknowledged as Debt:		
(i) PSUs	-	-
(ii) Sales Tax	21,310.03	21,310.03
(iii) Service Tax	1,883.80	1,883.80
(iv) Income Tax	4,752.26	1,737.48
(v) Excise Duty	5,306.33	5,306.33
(vi) Others	1,659.42	1,353.32
Total	34,911.84	31,590.96
Contractual Commitments:		
(A) Estimated amount of contracts remaining to be executed on Capital Account and not provided for, is		
(i) Property, Plant & Equipment	20,888.49	4,200.02
(ii) Investment Property	-	-
(iii) Intangible Assets	-	-
(B) Contractual Commitment towards LD for the deliverables due at the end of the year will be accounted as and when corresponding revenue is recognised.	7,961.93	15,060.96
Total	28,850.42	19,260.98

38(7) Details of short closed projects:

Out of the advances of ₹ 36234.42 Lakh (as at March 31,2023 ₹ 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 31,2023 ₹ 114.05 Lakh), Current Assets (Note 10-16) comprises an amount of ₹ 11041.65 Lakh (as at March 31,2023 ₹ 11041.65Lakh) in Advances to vendors and ₹ 8338.85 Lakh (as at March 31,2023 ₹ 8350.75 Lakh) in Inventories, total amounting to ₹ 19489.55 Lakh (as at March 31,2023 ₹ 19506.45 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 ₹ 1593.88 lakh (as at March 31,2023 ₹ 1908.11 lakh) being the net amount of expenditure after adjustment of the available advance. Hence, for want of finalisation of the amount from the Government/ Customers, no claim/ impact on profit has been accounted in the books.

38(8)Related party transactions

Name of Key managerial personnel

Cmde Siddharth Mishra (Retd), CMD (Upto 31 March 2023)	Shri P Radha Krishna, Director (Production) & Addl. Charge CMD (Upto 30 June 2023)
Cmde A Madhavarao, CMD (w.e.f 19 July 2023) & Addl. Charge Director (Finance) (w.e.f 08 February 2024)	Shri N Srinivasulu, Director (Finance) & CFO (Upto 31 January 2024)
Shri P V Raja Ram, Director (Production) (w.e.f 30 August 2023) & Addl. Charge Director (Technical) (w.e.f 08 February 2024)	Shri N P Diwakar, Director (Technical) (Upto 31 August 2022)
Shri G Gayatri Prasad, CFO (W.e.f 21 March.2024)	Shri Sunil Chintaman Mone, Independent Director
Shri Nandakumar Subburaman, Independent Director	Prof. (Dr.) Sanghamitra Mishra, Independent Director
Shri Rajendra Singh Shekhawat, Independent Director	Dr. Pawan Sthapak, Independent Director
Shri Jashwant Lal, Independent Director (w.e.f 24 February 2023)	Shri N Nagaraja, Company Secretary

(₹ in Lakh)

Key management personnel compensation	March 31, 2024	March 31, 2023
Short - term employee benefits	234.83	226.02
Post - employment benefits	41.42	46.97
Long - term employee benefits	-	-
Sitting fee to Independent Directors	20.45	15.80
Total compensation	296.70	288.79

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, 2024	March 31, 2023
(i) Interim dividend for the year ended March 31, 2024 of ₹ 8.85 (March 31, 2023 of ₹ 8.15) per fully paid equity share of ₹ 10 each	16,220.39	14,937.42
(ii) Dividends not recognised at the end of reporting period:	3,115.78	2,199.38
As at the year end March 31, 2024 the directors have recommended the payment of a final dividend of ₹ 0.85 per fully paid equity share of ₹ 5 each (March 31, 2023: ₹ 1.20 per equity share of ₹ 10 each). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

(₹ in Lakh)

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 ₹ 42,809.15 lakh (₹ 90,485.78 lakh during the year 2022-23). Out of which Nil (₹ 57,547.95 lakh during 2022-23) pertains to contracts on FOR-Destination basis where, the contract provides for retention of goods in certain circumstances mentioned therein. In respect of ₹ 42,809.15 lakh (₹ 32,937.83 lakh during 2022-23), though the contracts are on FOR-destination basis, the customer has allowed the company to recognise a sale and hold the material.

38(12) Charges registered:

Company has registered floating charge with State Bank of India and Union Bank of India to the extent of ₹ 61,500.00 lakh (as at March 31, 2023 ₹ 60,000.00 lakh) on current assets.

38(13) Operating Cycle:

As per the requirement of Schedule III to the Companies Act, 2013, the operating cycle has been determined at the product level as applicable.

38(14) Contingent Assets:

(₹ in Lakh)

Particulars	March 31, 2024	March 31, 2023
Contingent Assets	-	-

38(15) Fair Value Measurement

(₹ in Lakh)

Particulars	Fair value hierarchy Level	Notes	As at March 31, 2024			As at March 31, 2023		
			Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
A. Financial Assets								
a) Measured at amortised cost								
i) Cash and cash equivalents	3	12	59,384.20	59,384.20	-	105,288.37	105,288.37	-
ii) Other bank balances	3	13	363,464.00	363,464.00	-	280,598.00	280,598.00	-
iii) Loans	3	7, 14	370.07	370.07	-	376.02	376.02	-
iv) Other financial assets	3	8, 15	112,058.72	112,058.72	-	138,188.58	138,188.58	-
v) Trade receivables	3	11	31,044.72	31,044.72	-	18,457.27	18,457.27	-
Sub - total			566,321.71	566,321.71	-	542,908.24	542,908.24	-
b) Mandatorily measured at fair value through profit or loss								
i) Investment in equity instruments in other companies	3	6	53.60	-	-	53.60	-	-
ii) Deferred receivable	3	8, 15	2472.51	-	4,933.11	2,662.70	-	4,826.33
Sub - total			2,526.11	-	4,933.11	2,716.30	-	4,826.33
Total Financial Assets			568,847.82	566,321.71	4,933.11	545,624.54	542,908.24	4,826.33

(₹ in Lakh)

Particulars	Fair value hierarchy Level	Notes	As at March 31, 2024			As at March 31, 2023		
			Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
B. Financial Liabilities								
a) Measured at amortised cost								
i) Lease liabilities	3	19, 24	374.11	374.11	-	520.75	520.75	-
ii) Trade payables	3	25	79,838.71	79,838.71	-	46,437.83	46,437.83	-
iii) Other financial liabilities	3	20, 26	30,152.40	30,152.40	-	17,968.16	17,968.16	-
Sub - total			110,365.22	110,365.22	-	64,926.74	64,926.74	-
b) Mandatorily measured at fair value through profit or loss								
i) Embedded Derivative financial liability	3	20,26	-	-	3,527.29	-	-	3,350.89
Sub - total			-	-	3,527.29	-	-	3,350.89
Total Financial Liabilities			110,365.22	110,365.22	3,527.29	64,926.74	64,926.74	3,350.89

Fair Value Hierarchy

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

Particulars	Level	March 31, 2024	March 31, 2023
Financial Assets:			
a) Measured at fair value through profit or loss			
i) Investment in equity instruments in other companies	3	-	-
ii) Deferred receivable	3	4,933.11	4,826.33
Financial liabilities:			
a) Measured at fair value through profit or loss			
i) Embedded Derivative financial liability	3	3,527.29	3,350.89

Fair value hierarchy:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The fair value of unquoted equity instrument are determined with respect to the net worth of the company.
- During the year 2021-22, APGPCL i.e., the company in which BDL had invested in equity, received an adverse arbitration award. The implementation of which is likely to erode the networth of APGPCL. Accordingly Fair value of the investment is considered as 'Nil'.
- The fair value of 45 years deferred credit and receivables is determined using foreign exchange rates as per the contract.

(₹ in Lakh)

The resulting fair value estimates are included in level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2024:

Particulars	Unlisted equity shares	Deferred receivable	Embedded derivative liability
As at 31 March 2023	-	4,826.33	3,350.89
Gain/loss recognised in profit and loss	-	528.38	414.39
Current maturity of Financial Instrument		(421.60)	(237.99)
As at 31 March 2024	-	4,933.11	3,527.29

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 2024	March 31, 2023		
Unquoted equity shares	-	-	Fair value of the company	A 1% increase in the fair value of the company would increase the non current investment by Nil with a corresponding impact on profit and loss; a decrease in the fair value of the company would decrease the non current investment by Nil with a corresponding impact on profit and loss.
Deferred receivable	4,933.11	4,826.33	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 299.57 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 299.57 lakh with a corresponding impact on profit and loss.
Embedded derivative liability	3,527.29	3,350.89	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 308.08 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 308.08 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, 2024:

(₹ in Lakh)

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

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition	Claims/ refunds receivable	9045.32	0.24%	(21.47)	9,023.85
- Loss allowance measured at 12 month expected credit losses	Loans	370.07	-	-	370.07

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

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	113969.41	4531.43	118500.84
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	113969.41	4531.43	118500.84

(ii) Year ended March 31, 2023:

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

Particulars	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of provision
Financial assets for which credit risk has not increased significantly since initial recognition	Claims/ refunds receivable	9532.33	0.23%	(21.47)	9,510.86
- Loss allowance measured at 12 month expected credit losses	Loans	376.02	-	-	376.02

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

Particulars	Less than or equal to 6 months	More than 6 months	Total
Gross carrying amount	138872.51	5750.11	144622.62
Expected credit loss rate	0%	0%	0%
Expected credit loss (loss allowance provision)	-	-	-
Carrying amount of trade receivables	138872.51	5750.11	144622.62

(iii) Reconciliation of loss allowance:

(₹ in Lakh)

Particulars	Trade receivables and unbilled revenue	Claims/refunds receivable
Loss allowance as at March 31, 2023	-	(21.47)
Add/less	-	-
Loss allowance as at March 31, 2024	-	(21.47)

(₹ in Lakh)

(iv) Significant estimates and judgements:

Impairment of financial assets:

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The company has access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakh)

Particulars	March 31, 2024	March 31, 2023
Expiring within one year (bank overdraft and other facilities)	1500.00	1500.00

(ii) Maturities of financial liabilities

Contractual maturities of financial liabilities as at March 31, 2024	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	162.61	179.98	31.52	-	374.11
Deferred Credit towards 45 years Component	195.60	181.10	466.73	702.51	1545.93
Deposits	1,433.12	-	-	-	1433.12
Creditors for expenses	20,136.35	-	-	-	20136.35
Employee benefits payable	6,208.58	-	-	-	6208.58
Capital works	681.79	-	-	-	681.79
Others	146.62	-	-	-	146.62
Derivative					
Embedded derivative liability (Deferred liability)	433.57	237.98	713.94	2141.80	3527.29

Contractual maturities of financial liabilities as at March 31, 2023	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	146.64	162.61	211.50	-	520.75
Deferred Credit towards 45 years Component	195.60	181.10	466.73	769.10	1,612.53
Deposits	1,274.48	-	-	-	1,274.48
Creditors for expenses	7,716.12	-	-	-	7,716.12
Employee benefits payable	6,835.04	-	-	-	6,835.04
Capital works	255.87	-	-	-	255.87
Others	274.12	-	-	-	274.12
Derivative					
Embedded derivative liability (Deferred liability)	405.95	210.36	631.08	2,103.50	3,350.89

(₹ in Lakh)

C) Market risk

(i) Foreign currency risk

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro, GBP, CHF and SEK. Foreign exchange risk arises from future commercial transactions and recognised liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The company is eligible for exchange rate variation upon settlement of foreign exchange liabilities for most of the sales contracts. Hence, the company is protected against the foreign currency risk.

(FE in Lakh)

Particulars	March 31, 2024				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables	184.55	6.34	-	-	-
Foreign currency assets					
- Receivables	132.41	-	-	-	-
- Foreign Currency balance with Banks	336.34	-	-	-	-
Net Exposure	(284.20)	6.34	-	-	-

Particulars	March 31, 2023				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables	50.75	10.80	-	-	-
Foreign currency assets					
- Receivables	74.81	-	-	-	-
- Foreign Currency balance with Banks	50.40	-	-	-	-
Net Exposure	(74.46)	10.80	-	-	-

(₹ in Lakh)

(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:

Particulars	Impact on Profit	
	March 31, 2024	March 31, 2023
Sensitivity		
INR/USD – Increase by 1%	(234.80)	(61.00)
INR/USD – Decrease by 1%	234.80	61.00
INR/EURO – Increase by 1%	5.76	9.74
INR/EURO – Decrease by 1%	(5.76)	(9.74)
INR/GBP – Increase by 1%	-	-
INR/GBP – Decrease by 1%	-	-
INR/CHF – Increase by 1%	-	-
INR/CHF – Decrease by 1%	-	-
INR/SEK – Increase by 1%	-	-
INR/SEK – Decrease by 1%	-	-

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 2024 (As at 31 March, 2023 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	184.55	15440.39	468.76	38,920.76	41.21	3448.95
	(50.75)	(4,185.72)	(125.21)	(10,286.01)	(68.71)	(5,649.73)
EURO	6.34	576.17	-	-	-	-
	(10.80)	(973.64)	-	-	-	-
GBP	-	-	-	-	-	-
CHF	-	-	-	-	-	-
SEK	-	-	-	-	-	-
Total (₹)		16,016.56		38,920.76		3448.95
		(5,159.36)		(10,286.01)		(5,649.73)

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 in respect of contracts in which performance obligation are satisfied over a period of time. For arriving at the quantum of revenue to be recognised the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised. The company’s contract (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e., output) reliably . Where as, under input method , the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably) , for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.
- viii. For revenue recognition in respect of performance obligation satisfied at a “point in time” the following criteria is used for determining whether customer has obtained “Control on asset”
 - Terms of delivery as per the contract
 - Customer has legal title to the asset
 - The entity has transferred physical possession of the asset
 - Customer has accepted the asset
 - Entity has the present right to payment for the asset
- ix. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligations is based on relative standalone selling price which is arrived at based on the latest contract available for similar item sold.

B Break up of revenue recognised against contracts with customers

(₹ in Lakh)

Particulars	Govt of India	Exports (including Channel Partner)	Others	Total
For the year ended March 31, 2024				
Sale of Products	180,323.81	16,137.55	23,515.27	219,976.63
Sale of Services	9,271.38	-	5,809.60	15,080.98
Total	189,595.19	16,137.55	29,324.87	235,057.61
For the year ended March 31, 2023				
Sale of Products	156,545.20	9,718.87	69,115.93	235,380.00
Sale of Services	7,014.48	22.24	4,486.15	11,522.87
Total	163,559.68	9,741.11	73,602.08	246,902.87

(₹ in Lakh)

C Movement of Contract Assets and Contract Liabilities

Particulars	Contract Assets		Contract Liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening Balance (A)	126,165.35	119,119.48	424,998.96	215,396.45
Additions				
Against Sales recognised during the year	108,254.77	77,040.77		
Receipt of advance from Customer during the year	-		173,497.80	361,562.74
Change in transaction price recognised during the year	1,018.50			
Others (if any)	5,485.46	3,034.65	-	438.23
Total - (B)	114,758.73	80,075.42	173,497.80	362,000.97
Deductions				
Contract liability adjusted against- Revenue recognised during the year out of Opening balance			98,038.65	80,822.90
Contract liability adjusted against- Revenue recognised during the year out of Current year balance			1,586.13	71,571.63
Conversion of Contract Asset to Trade receivable	152,834.22	73,029.55		
Impairment of Contract Asset if any*				
Write back of Contract Liability if any				
Change in transaction price recognised during the year				
Others (if any)	633.74		243.32	3.93
Total - (C)	153,467.96	73,029.55	99,868.10	152,398.46
Grand Total (Closing Balance) D = (A+B-C)	87,456.12	126,165.35	498,628.66	424,998.96

* 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.

Compensation accrued to the company upon satisfaction of the performance performance obligation but is not due as payment milestones are not acheived is recognised as "Contract Asset". Such balances are transferred to Trade receivable, when payment milestones are achieved.

D Value of remaining Performance Obligations

Unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied

Particulars	Total Amount	Within a Year	1 - 2 Years	2 - 3 Years	More than 3 Years
Unexecuted order value as on 31.03.2024*	1,943,400.00	367,700.00	450,700.00	507,500.00	617,500.00

* The amount is subject to LD of ₹ 7961.93 lakh

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per Statement of P&L Account		
Sale of Products	219,976.63	235,380.00
Sale of Services	15,080.98	11,522.87
Total (a)	235,057.61	246,902.87
Add/ Less adjustment to contract price		
FE variation claim	-	(8.88)
Incentives, performance bonus received	-	-
Discount, rebate offered	-	-
Price concession offered	-	-
LD levied by customers	6,300.12	6,098.06
LD refunded by customers	(74.23)	(3,033.29)
Others if any	-	-
Total adjustment (b)	6,225.89	3,055.89
Contract price (a + b)	241,283.50	249,958.76

F Movement of Trade Receivable for 2023-24

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	14,334.17	4,123.10	18,457.27
Additions			
Against Sales recognised during the year	160,703.44	11,276.93	171,980.37
Conversion of Contract Asset to Trade receivable	141,625.19	11,209.03	152,834.22
Change in transaction price recognised during/previous year	-	19.18	19.18
Others (if any)	65.49		65.49
Total - (B)	302,394.12	22,505.14	324,899.26
Deductions			
Collection made during the years	194,678.50	16,823.60	211,502.10
Advance adjusted during the year out of revenue recognised	98,392.47	1,232.31	99,624.78
Impairment of Debtors (Provisions)*	-	-	-
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	1,068.59	116.34	1,184.93
Total -(C)	294,139.56	18,172.25	312,311.81
Grand Total (Closing Balance) D = (A+B-C)	22,588.73	8,455.99	31,044.72

(₹ in Lakh)

Movement of Trade Receivable for 2022-23

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	24,949.06	5,467.07	30,416.13
Additions			
Against Sales recognised during the year	235,840.14	5,860.61	241,700.75
Conversion of Contract Asset to Trade receivable	67,231.27	5,798.28	73,029.55
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	23.50	62.61	86.11
Total - (B)	303,094.91	11,721.50	314,816.41
Deductions			
Collection made during the years	162,818.49	11,562.25	174,380.74
Advance adjusted during the year out of revenue recognised	150,891.31	1,503.22	152,394.53
Impairment of Debtors (Provisions)*	-	-	-
Change in transaction price recognised during/previous year	-	-	-
Others (if any)	-	-	-
Total -(C)	313,709.80	13,065.47	326,775.27
Grand Total (Closing Balance) D = (A+B-C)	14,334.17	4,123.10	18,457.27

* 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 Ibbrahimpatnam (632 Acres 16.50 Guntas)	7,965.16	TSIIC	No	16/2/2017	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	2/3/2011	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, 2024					
(i) Projects in progress	6,917.50	322.22	21.88	25.88	7,287.48
(ii) Projects temporarily suspended					
Total	6,917.50	322.22	21.88	25.88	7,287.48
As at 31 March, 2023					
(i) Projects in progress	5,280.75	1,483.93	482.89	187.09	7,434.66
(ii) Projects temporarily suspended					
Total	5,280.75	1,483.93	482.89	187.09	7,434.66

(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 2024	114.68	276.81	-	-
As at 31 March 2023	4,054.44	493.22	1.47	-

* 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, 2024	As at 31 March, 2023	% Variance	Reason for Variance
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.07	3.45	-11%	-
(b) Debt-Equity Ratio						-
(c) Debt Service Coverage Ratio			Not Applicable as the company has no debt.			-
(d) Return on Equity Ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	17.89%	11.28%	59%	Refer Note - A below
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	1.25	1.43	-13%	-
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	9.57	10.19	-6%	-
(g) Trade payables turnover ratio (in times)	Purchases	Average Trade Payables	1.68	2.70	-38%	Refer Note - B below

(₹ in Lakh)

Ratio	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	% Variance	Reason for Variance
(h) Net capital turnover ratio (in times)	Revenue from operations	Working Capital	0.38	0.46	-17%	-
(i) Net profit ratio (in %)	Net Profit after taxes	Revenue from Operations	25.86%	14.00%	85%	Refer Note - A below
(j) Return on Capital employed (in %)	EBIT i.e., Profit before tax and finance costs	Capital Employed i.e., Networth + Deferred Tax Liability (net)	23.31%	15.41%	51%	Refer Note - A below
(k) Return on investment (in %)	Return to investor	Time weighted Investment	77.40%	81.87%	-5%	-

Note - A: Increase is mainly due to (a) change in product mix and (b) higher interest income and refund received from customer during the year.

Note - B: Reduction is mainly due to increase in payables as at 31st March, 2024 which are not yet due.

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):

(₹ in Lakh)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
(i) Gross amount required to be spent by the company during the year		1,044.12		1,217.89
(ii) Amount of expenditure incurred during the year on				
- Construction / acquisition of any asset:		295.16		153.24
- On purpose other than above		722.57		1,166.08
(iii) Shortfall at the end of the year out of the amount required to be spent during the year		Nil		Nil
(iv) Total of previous years shortfall amounts		Nil		Nil
(v) Reason for shortfall		Not Applicable		Not Applicable
(vi) Nature of CSR activities undertaken by the Company		Education, Healthcare, Skill Development		Education, Healthcare, Skill Development
(vii) Details of related party transactions		Nil		Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.		Unspent / (Surplus) Balance as at March 31, 2023	Additional provisions recognised	Utilisation during the year
		(107.18)	1044.12	(1,017.73)
				Unspent / (Surplus) Balance as at March 31, 2024
				(80.79)

(₹ in Lakh)

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

38(25) Impact of war:

The on going Russia-Ukraine war and conflicts in Middle-East region affected the supply chain of the company which have impacted the performance for the year ended 31 March 2024.

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) These financial statements are presented in Indian Rupees (rounded off to lakhs), except when otherwise indicated. Previous year figures have been regrouped or rearranged wherever necessary. Negative figures are indicated in parenthesis.

Material accounting policy information and accompanying notes form an integral part of the Financial Statements

As per our report of even date,

For Tej Raj & Pal
Chartered Accountants
Firm's Registration No. 304124E


CA Beeraka Vijay
Partner
(M.No.214678)

Place: New Delhi
Date: 30 May 2024


For and on behalf of the Board


P V Raja Ram
Director (Production) & Addl. Charge
Director (Technical)
DIN: 10271259


G Gayatri Prasad
Chief Financial Officer

Place: New Delhi
Date: 30 May 2024


Cmde A Madhavarao (Retd.)
Chairman and Managing Director & Addl. Charge
Director (Finance)
DIN: 09808949


N Nagaraja
Company Secretary
(M.No.A19015)



Kanchanbagh Unit



Bhanur Unit



Visakhapatnam Unit



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED

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

CIN No.: L24292TG1970GOI001353

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