



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/2025/SE-31

Date: 02/09/2025

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 55th Annual General Meeting and Record Date

1. We wish to inform you that the 55th Annual General Meeting (AGM) of the Members of Bharat Dynamics Limited will be held **on Friday, 26th September 2025 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 **Saturday, 20 September 2025 to Friday, 26 September 2025 (both days inclusive)** for the purpose of 55th Annual General Meeting of the Company and for the payment of Final Dividend. The company has fixed **Friday, 19 September, 2025 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 55th AGM and Annual Report 2024-25 have been uploaded in the company's website at <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

55th ANNUAL REPORT
2024-25



भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED



THE FORCE BEHIND PEACE



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भारत डायनामिक्स लिमिटेड, 55वाँ वार्षिक विवरण 2024-25
लोक सभा / राज्य सभा के पटल पर रखे जाने वाले प्रपत्र

अधिप्रमाणित

रक्षा राज्य मंत्री

BHARAT DYNAMICS LIMITED, 55TH ANNUAL REPORT 2024-25
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 2269 employees as on 31 March 2025 and during the year 2024-25 reported a net sales turnover of ₹ 3345 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: 040-23456145 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

Ms. Spurthi Reddy, IRS (C&IT:2011)

COMPANY SECRETARY

Shri N. Nagaraja

SENIOR MANAGEMENT

Shri DV Srinivas Rao

General Manager (D&E and ED)
(Elevated as Director (Technical) w.e.f. 20.09.2024)

Shri G Gayatri Prasad

General Manager (Finance) & CFO
(Elevated as Director (Finance) & CFO w.e.f. 19.12.2024)

Cmde. Girish Raghunath Pradhan (Retd.)

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

Shri M Ravi

Executive Director (UH-KBU, IBU & PSG)

Shri L Kishan

Executive Director (UH-BU)

Shri M Vinod Kumar

General Manager (NP & OP)

Shri M Dayakar Reddy

General Manager (M, R & TSD)

Shri N Satyanarayana

General Manager (HR)

Shri P Veerabhadra Rao

General Manager (Finance)
(Retired on 31.07.2024)

Col B Hari Prasad

General Manager (GSD)
(Retired on 31.05.2024)

Shri R Simhachalam

General Manager (VU)
(Retired on 31.12.2024)

STATUTORY AUDITORS

M/s Tej Raj & Pal

Chartered Accountants

COST AUDITORS

M/s Narasimha Murthy & Co.

Cost Accountants

SECRETARIAL AUDITORS

M/s C.V. Reddy K & 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 4154374

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

Board Members

(As on 27 May 2025)

CHAIRMAN & MANAGING DIRECTOR



Commodore A Madhavarao (Retd.)
Chairman & Managing Director

GOVERNMENT DIRECTORS



Shri U Raja Babu
Director General (MSS)



Shri Amit Satija
Joint Secretary (DIP)

WHOLE TIME DIRECTORS



Shri P V Raja Ram
Director (Production)



Shri D V Srinivas Rao
Director (Technical)
(Appointed w.e.f 20.09.2024)



Shri G. Gayatri Prasad
Director (Finance) & CFO
(Appointed w.e.f 19.12.2024)

INDEPENDENT DIRECTORS



Shri Jashwant Lal



Shri. Chetan Bansilal Kankaria
(Appointed w.e.f 22.04.2025)

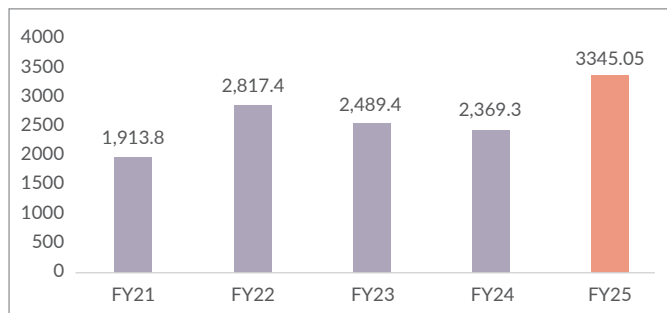
COMPANY SECRETARY



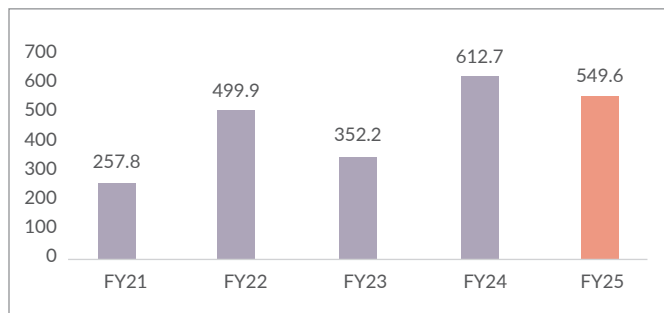
Shri N Nagaraja

Financial Highlights

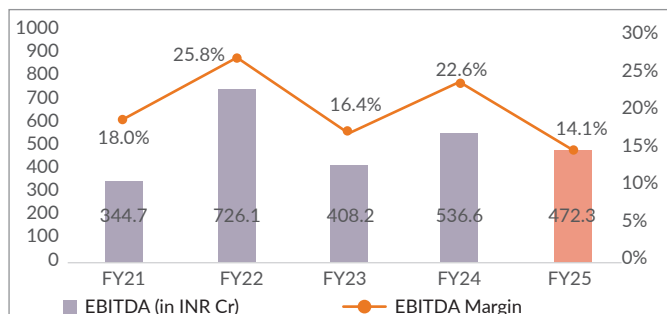
Revenue from Operations (in INR Cr)



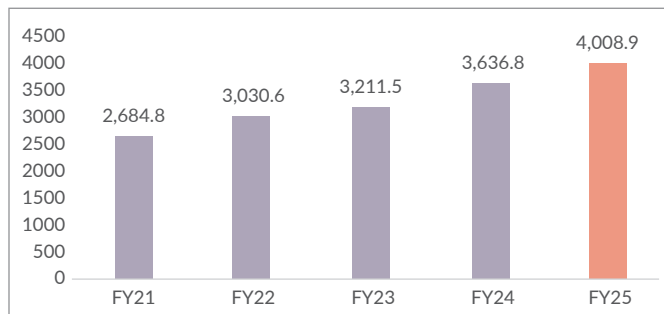
PAT (in INR Cr)



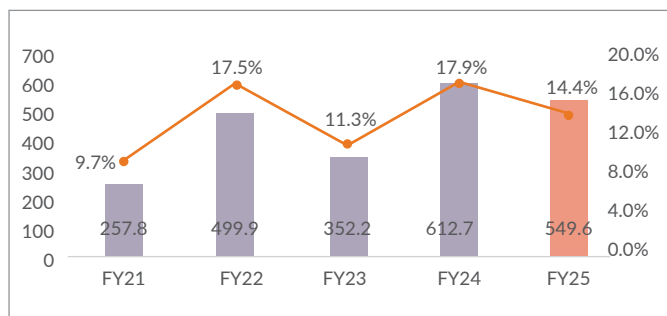
EBITDA (in INR Cr) & EBITDA Margin



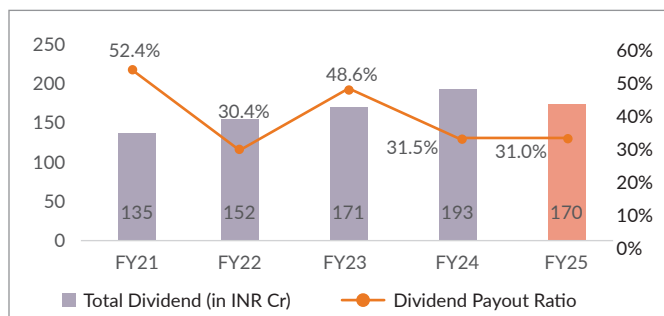
Net Worth (in INR Cr)



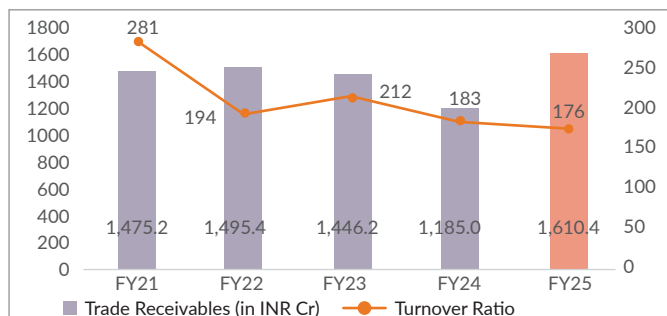
Return on Equity (in %)



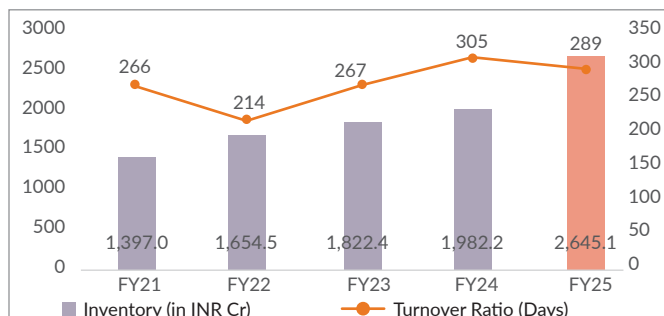
Total Dividend (in INR Cr) & Dividend Payout Ratio



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



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



Ten years at a Glance

Particulars	Units	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Sales (Gross)	₹ Cr.	3345.05	2369.28	2489.39	2817.40	1913.76	3104.87 ⁻	3069.35 ^{&}	4587.60	4886.62	4159.97
Changes in WIP/ SIT	₹ Cr.	421.86	222.63	19.04	84.36	128.91	(503.66)	165.87	53.70	124.38	137.86
Value of Production	₹ Cr.	3766.91	2591.91	2508.43	2901.76	2042.67	2601.21 ⁻	3235.22	4641.30	5011.00	4297.83
Material Consumption	₹ Cr.	2099.76	1119.96	1210.33	1263.37	970.08	1014.09 ⁻	1818.97	2907.59	3125.23	2620.30
Value Added	₹ Cr.	1667.15	1471.95	1298.10	1638.39	1072.59	1587.12 ⁻	1416.25	1733.71	1885.77	1677.53
Profit Before Tax	₹ Cr.	748.76	828.23	481.80	709.91	340.88	742.45	671.36	773.82	802.81	847.31
Profit After Tax	₹ Cr.	549.65	612.72	352.17	499.92	257.77	534.90	422.59	528.15	524.06	564.88
Equity	₹ Cr.	183.28	183.28	183.28	183.28	183.28	183.28	183.28	183.28	122.19	97.75
Reserves & Surplus	₹ Cr.	3825.67	3453.54	3028.22	2847.28	2501.47	2423.55	2085.26	1773.10	2072.79	1702.27
Gross Block(Excl. Cap.WIP)	₹ Cr.	1600.56	1496.52	1415.67	1451.08	1368.51	1291.36	1219.61	1048.62	869.66	746.38
Inventory	₹ Cr.	2645.11	1982.47	1822.44	1654.45	1397.01	856.52	1664.53	1925.87	2240.42	2057.66
Billed Receivables	₹ Cr.	826.36	310.45	184.57	304.16	322.69	338.37 ⁻	587.21	770.41	154.55	140.17
Trade Receivables (Incl. Unbilled)	₹ Cr.	1610.40	1185.01	1446.23	1495.36	1475.20	2676.19 ⁻	1844.53	2208.13	1735.36	1478.22
Working Capital	₹ Cr.	6017.75	6233.25	5394.18	2942.18	2378.03	2259.40	1390.38	1085.68	1569.75	2052.30
Capital Employed	₹ Cr.	3886.22	3566.10	3155.08	2973.45	2637.01 [@]	3191.76	2347.34	1954.05	2326.87	2745.18
Net Worth	₹ Cr.	4008.95	3636.82	3211.50	3030.56	2684.75	2606.83	2268.55	1956.38	2194.98	1800.02
Number of Employees	Nos.	2269	2401	2560	2674	2812	2950	3034	3095	3182	3132
Employee Costs	₹ Cr.	548.80	600.01	532.46	570.66	501.09	534.03	534.21	529.34	448.39	326.23
Value Added per ₹ of Wage	₹	3.04	2.45	2.44	2.87	2.14	2.97 ⁻	2.65	3.28	4.21	5.14
Value Added per Employee	₹ Lakh	73.48	61.31	50.71	61.27	38.14	53.80 ⁻	46.68	56.02	59.26	53.56
Earnings per Share (EPS) for Facevalue of ₹ 5 each	₹	14.99	16.72 [!]	9.61 [!]	13.64 [!]	7.03 [!]	14.59 [!]	11.53 [!]	13.33 [!]	12.26 [!]	21.37

⁻ 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.

[@] 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.

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

Chairman's Statement



DEAR SHAREHOLDERS,

It is with immense pride and a sense of responsibility that I address you in this 55th Annual Report of Bharat Dynamics Limited (BDL) for the fiscal year 2024-25. As a cornerstone of India's defence manufacturing ecosystem, BDL continues to uphold its commitment to strengthening the nation's security while contributing to the vision of Aatmanirbhar Bharat (Self-Reliant India). This year has been a landmark one for BDL, marked by robust growth, strategic advancements, and a reaffirmed dedication to innovation and excellence.

A Year of Remarkable Achievements.

The fiscal year 2024-25 has been a testament to BDL's resilience and adaptability in a dynamic global environment. We achieved a remarkable turnover of ₹3,345 crore, reflecting a stellar 41% growth compared to ₹2,369 crore in FY 2023-24. This significant increase underscores our ability to execute high-value projects efficiently and meet the evolving needs of the Indian Armed Forces. Our export turnover soared to over ₹1,270 crore, a phenomenal 689% rise from ₹161 crore in the previous year, reinforcing BDL's growing presence in the global defence market.

Our order book as of 31 March, 2025, stands at an impressive ₹22,814 crore, bolstered by new orders worth about ₹6,668 crore secured during the year. These figures reflect the trust placed in BDL by our stakeholders and our capability to deliver cutting-edge missile systems and allied defence equipment. Key products, including Anti-Tank Guided Missiles (ATGMs), Surface-to-Air Missiles (SAMs), Underwater Weapon Systems etc. continue to form the backbone of our portfolio, ensuring operational readiness for our Armed Forces.

BDL has recorded a Profit Before Tax (PBT) of ₹748.76 crore and a Net Profit of ₹549.64 crore as against PBT of ₹828.24 crore and Net Profit of ₹612.72 crore of previous financial year. A marginal reduction from previous years net profit in view of the product mix.

I am extremely pleased to inform you that BDL continues to maintain a consistent dividend payment. Your Board has recommended a final dividend of ₹0.65 per equity share of ₹5 each, amounting to ₹23.83 crore. It also gives me great pleasure to inform you that BDL has already paid an interim dividend of ₹4 per equity share of ₹5 each in February 2025. The total dividend for FY 2024-25 declared by the company is ₹4.65 per share (at face value of ₹5 each).

BDL's Role in Recent Operation.

BDL continues to support our Armed Forces and it is understood that the various Air Defence missiles produced by BDL played a significant role in the recent Operation. This operation showcased the systems' reliability, precision, and capability in countering aerial threats under operational conditions, reinforcing India's indigenous defence technology advancements. On behalf of the Board, I take the opportunity to congratulate all BDL team for being a part of this successful operation.

Performance Vis-A-Vis MOU.

In terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, BDL has been rated **"Very Good" for the year 2023-24**, and for 2024-25, it is under evaluation.

Driving Indigenization and Innovation.

BDL remains at the forefront of the Government of India's Aatmanirbhar Bharat Abhiyan, with a steadfast focus on indigenization. Our five-year indigenization plan (2020-21 to 2024-25) has yielded significant results, with 49 out of 59 identified items successfully indigenized as part of the Ministry of Defence's Positive Indigenization Lists. These efforts not only reduce dependency on imports but also foster a robust domestic defence manufacturing ecosystem.

Technology upgradation has always been an area of priority for BDL in order to keep pace with the current requirements in the global defence industry. In pursuit of this, during the year BDL has signed 25 MoUs / teaming agreements with several entities, out of which 5 are foreign entities and 20 are domestic entities (which includes 8 MSMEs).

Corporate Social Responsibility and Sustainability Development.

BDL is conscious of its responsibilities towards society, and as per the provisions of the Companies Act, 2013, BDL is spending 2% of the average net profits of the immediate three preceding financial years towards CSR activities. The core areas of focus under CSR are healthcare, nutrition, education and literacy, skill development and sanitation, Sahara hostel for Veer Naaris, etc. BDL, as per DPE Guidelines, has also ventured into aspirational districts and underdeveloped areas in Telangana and Andhra Pradesh to undertake corporate social responsibility (CSR). During the year, the Company has spent ₹13.34 crore as against the statutory requirement of ₹12.88 crore. The surplus amount spent of ₹45.90 lakh is available for set-off in succeeding financial years.

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

- i) Sahara Hostel for Veer Naaris, Vishakhapatnam
- ii) Healthy Baby Nutrition Support (3000 kits) by ABV Foundation, Secunderabad
- iii) Smart Classrooms in Vizianagaram District and Visakhapatnam, District of AP
- iv) STERRAD 100S GAS PLASMA STERILIZER to MNJ & Regional Cancer Centre, Hyderabad
- v) Construction of Choultry (III floor) + Lift at MNJ & Regional Cancer Centre, Hyderabad
- vi) Critical Care Ambulance to Military Hospital, Secunderabad
- vii) Medical Infrastructure at Healthcare Centre at Kumuram Bheem Asifabad of TS, Parvathipuram & Gajapathinagaram of AP
- viii) Fitment of Cochlear Implants to the Children with Hearing Impairment through ALIMCO of Telangana and Andhra Pradesh State

During the year, BDL has been awarded the following awards for its CSR activities:-

- i) Global CSR Excellence & Leadership Awards in recognition of "Quality of Education" and "Concern for Health".
- ii) Grow Care India CSR Excellence Leadership Award Concern for Health.

Corporate Governance.

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

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

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

Looking Ahead

As we move forward, BDL is poised for significant growth, driven by a robust order book and expanding export opportunities. The global demand for advanced defence systems presents a unique opportunity for BDL to showcase India's capabilities on the world stage. We are committed to enhancing our research and development efforts, fostering innovation, and strengthening our partnerships to deliver next-generation solutions.

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

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 in-house, with start Ups and MSMES 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 for the globe.

With the success of the recent Operation of our Armed Forces, there is lot of interest in BDL's products like Akash Weapon Systems from potential buyers in the international defence market. 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.

The government is putting a lot of restrictions on imports and giving impetus to reduce foreign exchange; hence, the importance of enhancing indigenization for self-reliance is noted. In R&D, we have increased the expenditure and extended all the support. Emphasis is being laid on timelines for R&D Projects.

The Government of India's focus on defence modernization and self-reliance provides a strong tailwind for BDL's growth. We are confident that our strategic initiatives, coupled with our operational excellence, will enable us to achieve new milestones in the coming years.

Acknowledgement.

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

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

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

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

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

Jai Hind!!!



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

Date : 27 May 2025

Place : Hyderabad

Board's Report

Dear Members,

Your Directors presents the 55th Annual Report together with the audited financial statements of the company for the year ended 31 March 2025.

1. HIGHLIGHTS ON OPERATIONS:

- i) Your company achieved production of ₹ 3767 crore as against ₹ 2592 crore of previous financial year and achieved sales turnover of ₹ 3345 crore as against ₹ 2369 crore of previous financial year, registering a growth of 41%.
- ii) Highest ever export of ₹ 1270 crore during FY 2024-25 as against the previous year's export turnover of ₹161 crore registering a growth of about 689%.
- iii) During the year, your company has received new orders worth about ₹6668 crore for supply of one of the Anti-Tank Guided Missiles (ATGM), Medium Range Surface to Air Missile (MR-SAM) and other weapon systems to the Indian Armed Forces.
- iv) During the year, your company has successfully evaluated trails of new generation ATGMs, upgraded Surface to Air Missiles, Vertical Launched Short Range Surface to Air Missiles (VL-SRSAM), Long Range Land Attack Cruise Missiles (LR-LACM) and Underwater Weapons.

2. FINANCIAL RESULTS AND PERFORMANCE HIGHLIGHTS:

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2024-25	2023-24	
Sales/Revenue from Operations	3345	2369	41%
Value of Production	3767	2592	45%
i) Import Material Consumed	110	148	(26%)
ii) Indigenous Material Consumed	1990	972	105%
Total Material Consumed	2100	1120	88%
Value Added	1667	1472	13%
Profit Before Tax	749	828	(10%)
Profit After Tax	550	613	(10%)
Earnings per share* (in Rupee)	14.99	16.72	(10%)

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)
	2024-25	2023-24	
Gross Block (Excl. CWIP)	1601	1497	7%
Accumulated Depreciation	743	673	10%
Net Block	858	824	4%
Working Capital (Net)	6018	6233	(3%)
Capital Employed	3886	3566	11%
Net Worth	4009	3637	10%

*Figures have been reclassified and regrouped, wherever necessary.

- 2.3 During the year under review, your company has achieved revenue from operations of ₹ 3345 crore, compared to ₹2369 crore in the previous financial year, registering a growth of 41%. The growth in turnover is primarily driven by boosted manufacturing activities and easing out of supply chain constraints.

During FY 2024-25, the company reported a profit before tax of ₹749 crore, compared to ₹828 crore in FY 2023-24. The decline is primarily attributed to the absence of a one-time net gain of ₹119 crore (after offsetting ₹46 crore in associated expenses) that was recorded in the previous financial year. Additionally, the current year's results were impacted by a ₹141 crore provision for a contract identified as onerous and a ₹90 crore provision for expected credit losses on trade receivables.

The major products executed during the year are ATGMs, Akash-SAMs. The order book position of the company as on 31 March 2025 is about ₹ 22814 crore.

2.4 Future Outlook:

In the fiscal year 2024-25, your company recorded a turnover surpassing ₹3345 crore, a 41% rise from the previous year, with exports soaring 689% to ₹1270 crore. The company secured orders worth ₹6668 crore building an order book of ₹22814 crore as on 31 March 2025. Your company anticipates further new orders worth ₹20000 crore over the next 2-3 years as several orders are in the finalization stages, ensuring robust future growth.

Your company is committed to advancing India's self-reliance in next-generation weapon systems by adopting a comprehensive and strategic approach. We prioritize the indigenous development of critical defence technologies, including missile seekers, homing systems, avionics, cruise missile propulsion, specialized warheads, and electronic warfare systems.

To drive innovation and foster cutting-edge research, we actively collaborate with premier Indian institutions such as IITs, NITs, and domain-specific research centers. These partnerships enable the co-creation of disruptive technologies tailored to India's strategic needs.

In parallel, we pursue joint ventures with leading global defence firms, bringing world-class expertise and manufacturing practices to India. These collaborations support both domestic requirements and export-oriented production, strengthening India's position in the global defence market.

We strategically engage in foreign technology transfer programs, not only to bridge existing capability gaps but also to fast-track the Make-in-India initiative. From the contractual stage, we emphasize maximizing indigenous content, ensuring that each project contributes to the long-term vision of technological sovereignty.

Through this integrated approach—combining indigenous innovation, global collaboration, and strategic capability-building—your company is shaping the future of India's defence ecosystem, making it robust, competitive, and self-reliant.

The Government of India has approved several BDL products for export, BDL has begun penetrating the global defence market, offering customized solutions and comprehensive lifecycle management for its products. By partnering with local defence industries in customer countries, BDL ensures robust, localized lifecycle support. To boost efficiency, BDL is optimizing its production lines by streamlining processes and adopting advanced technologies, ensuring timely deliveries while maintaining high-quality standards.

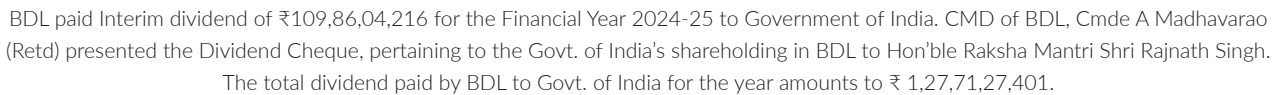
In FY 2025-26, we will continue to focus on organizational capacity building, talent development, and fostering a high-performance culture across the company. With a skilled workforce, solid institutional foundation, and a clear strategic direction, BDL is confident in its ability to deliver value to stakeholders, contribute meaningfully to national defence preparedness, and emerge as a global player in the defence manufacturing sector.

3. FIXED DEPOSITS FROM PUBLIC:

Your 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 ₹ 0.65/- per equity share of face value of ₹5/- each amounting to ₹ 23.83 crore for the year 2024-25. Further, your company has paid interim dividend of ₹4 per share (at face value of ₹5/- each) amounting to ₹146.63 crore for the year 2024-25. The total dividend for FY 2024-25 declared by the company is ₹4.65 per share (at face value of ₹5 each). An amount of ₹ 400 crore is being transferred to General Reserve for the year 2024-25.



The paid up capital of the company as on 31 March, 2025 stood at ₹183.28 crore (36,65,62,500 equity shares of ₹5/- each). The Authorized Capital of the company is ₹200 crore (40,00,00,000 equity shares of ₹5/- each) as on 31 March 2025.

As on 31 March 2025, your company has two section 8 Joint Venture companies viz., M/s Electronic Warfare (Defence) Testing Foundation and Advanced Materials (Defence) Testing Foundation formed under Defence Testing Infrastructure Scheme (DTIS) promulgated by Department of Defence Production, Ministry of Defence. Your company holds 10% shareholding in M/s Electronic Warfare (Defence) Testing Foundation and 20% shareholding in Advanced Materials (Defence) Testing Foundation. These entities are not considered for preparation of consolidated financial statements as the company does not have right to variable returns from its involvement, other than equity investment.

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 2023-24 was rated as "Very Good" and the performance for the year 2024-25 is under evaluation.

During the year, an amount of ₹282.75 crore has been spent towards Capital Expenditure (CAPEX) programs for the modernization of Plant & Machinery and other infrastructure development, including joint development programs. 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. Additionally, your company has planned to spend approximately ₹200 crore during the current financial year 2025-26 on various CAPEX programmes, including construction of Jhansi Unit, Phase-II infrastructure development at Ibrahimpatnam and Ceramic Radome facility at Kanchanbagh.

11

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	2024-25	2023-24	2022-23
Sales Turnover (Gross) (₹ in Crore)	3345.05	2369.28	2489.39
R&D expenditure (₹ in Crore)	222.92	75.37	152.03
R&D expenditure as % of Sales Turnover	6.66%	3.18%	6.11%
PBT (₹ in Crore)	748.76	828.24	481.80
R&D expenditure as % of PBT	29.77%	9.10%	31.55%

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 2024-25, your company procured 29.12% of goods and services, amounting to approximately ₹460.48 crore, from MSMEs out of its total procurement of ₹1581.42 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.

Industry Partners 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 6 vendor meets, resulting in over 500 registered vendors as of the current date. Furthermore, your company has implemented an updated Integrity Pact in accordance with the directives of the Central Vigilance Commission's latest circular and adheres to the Standard Operating Procedure outlined therein. Your company has procured goods & services to the tune of 3.83% (of total procurement) from Women MSM enterprises, thus surpassing the 3% target set for such procurement. The procurement from SC/ST owned MSMEs stood at 1.19% (of total procurement) against the mandated procurement of 4%, about 1174 MSMEs (including SC/ST & women) have been benefitted in FY 2024-25.

Government e Market Place (GeM):

Your company registered as both a Buyer and Seller with the Government e-Marketplace (GeM). GeM is utilized for procuring common items and services. Throughout the year, your company has successfully procured common goods and services worth ₹1501 crore through GeM out of total procurement of ₹1581.42 crore (Gross Merchandise Value) with staggered deliveries. This demonstrates your company's active engagement and utilization of GeM for streamlined procurement processes.

11 EXHIBITIONS:

During the year, your company has showcased its products in various National and International Exhibitions where in the Senior Executives and Directors of the company took it on themselves to explain to the various stake holders on the developments in the company and enabled greater collaboration with all stakeholders. The details along with the photographs of such exhibitions are as follows:



Chief of Naval Staff inaugurated BDL Pavilion at Aero India - 2025. Cmde A. Madhavarao (Retd), CMD, BDL welcomed the CNS and apprised about the ongoing and future projects of the Company.



Secretary (Defence Production), Govt. of India visited BDL Pavilion during the Aero India - 2025. Cmde A Madhavarao (Retd), CMD, BDL briefed him about the products displayed by the Company



Chief of the Army Staff visited BDL Pavilion during Aero India - 2025. Shri P V Rajaram, Director (Production), BDL briefed the COAS about the current and future products of the Company.



Hon'ble Raksha Mantri visited BDL stall during the Vigyan Vaibhav exhibition organized by DRDO at Hyderabad on the occasion of National Science Day celebrations. Cmde A Madhavarao (Retd), CMD, BDL briefed the Hon'ble RM about the products displayed by the Company



Dr Samir V Kamat, Secretary, Dep of Defence R & D and Chairman, DRDO visited BDL Pavilion during Aero India - 2025.



Lt Gen N S Raja Subramani, Vice Chief of Army Staff being briefed about the current and upcoming products of BDL on his visit to BDL Pavilion during Aero India - 2025

12. EXPORTS:

Your company has placed significant emphasis on the export of Weapon Systems. During the year, your company has registered highest exports value of about ₹1270 crore, which is all time high in the history of the company. 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 BDL products, 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 various Weapon systems, CMDs, ATGMs, SAMs etc. 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, 2025, your company has total export order book of ₹1167 crore, reflecting the growing success in the international market.

13. ATMANIRBHAR BHARAT & INDEGINISATION:

As part of its commitment to building an Atmanirbhar Bharat (Self-Reliant India), BDL has prioritized indigenization efforts from the very outset of each contract. The company manufactures missiles through Technology Transfer (ToT) agreements with both the Defence Research and Development Organisation (DRDO) and foreign Original Equipment Manufacturers (OEMs).

While initial ToT from foreign OEMs covered only around 60% of the technology, BDL has successfully increased indigenization levels to over 80%-90% in many of these products. For DRDO-designed systems, most of them have already achieved indigenization levels exceeding 90%. BDL continues to make concerted efforts to further enhance indigenization across its entire product range, reinforcing its role in strengthening India's defence manufacturing capabilities.

BDL is utilizing the Srijan Portal, an indigenization initiative by the Ministry of Defence. The primary objective of the Srijan Portal is to engage the private sector in the indigenization efforts of Defence PSUs. BDL regularly uploads details of imported items identified for indigenization, enabling Indian industry partners to come forward and participate in their development.

Accordingly, BDL has uploaded 1,198 imported items on the portal. As of this year, 217 items have been indigenized cumulatively. Necessary technical support is being provided to Micro, Small, and Medium Enterprises (MSMEs) to encourage them to produce quality components.

BDL is also fostering collaboration with startup companies, identifying problem statements for them to work on and develop innovative solutions. Memorandums of Understanding (MoUs) are being signed with these companies to support their growth and create new business opportunities.

Furthermore, as of this year, the Ministry of Defence has issued five Positive Indigenisation Lists (PILs) under the Department of Defence Production (DDP) as part of ongoing efforts to promote self-reliance in defence manufacturing through the Atmanirbhar Bharat Abhiyan. These lists include an embargo on imports beyond specified timelines.

Of the five PILs issued, 59 items are associated with BDL. Out of these, BDL has successfully indigenized 49 items, while the remaining items are at various stages of the indigenization process.

In line with the Government of India's vision for the Make in India initiative, with a special focus on Atmanirbharta in Defence, BDL has conducted and participated in several vendor development programs and seminars, showcasing components and sub-assemblies proposed for indigenization.

During these events, vendors were briefed on the indigenization procedures, as well as the technical and procedural support that BDL would provide throughout the indigenization process.

BDL and the Innovation for Defence Excellence (iDEX) programme have forged a strategic partnership, in alignment with the Government's vision of Atmanirbhar Bharat. This collaboration has led to the creation of a robust ecosystem where BDL works closely with aspiring entrepreneurs and MSMEs to enhance its innovation and R&D capabilities.

Through iDEX, BDL has been engaging with startups to develop innovative technologies for its R&D projects and for the production of missile systems for the Indian Armed Forces. As a result of this partnership, a Miniaturized Visual Imaging Guidance System was successfully developed during 2024-25.

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 in recruitments.

14.2 Total manpower strength as on 31 March 2025 is at 2269 (including four functional directors). Out of the total strength, 72 are ex-servicemen, 465 are of Schedule Caste, 200 are of Scheduled Tribes, 792 are of OBC category and 10 are of EWS category. The percentage of Scheduled Caste and Scheduled Tribes in respect of employees is at 20.49% and 8.81% respectively.

14.3 The No. of Scheduled Caste, Scheduled Tribes, OBC and EWS in various categories of posts as on 31 March 2025 is given below:

Category	Number of Employees (excluding CVO)									
	Total Strength		Scheduled Castes		Scheduled Tribes		OBC		EWS	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Group-A	757	768	142	147	80	84	211	201	10	7
Group-B	2	1	0	0	0	0	2	1	0	0
Group-C	1375	1472	284	291	110	111	526	539	0	0
Group-D	135	149	39	41	10	11	53	58	0	0
Temporary	0	11	0	4	0	0	0	2	0	0
Total	2269	2401	465	483	200	206	792	801	10	7

14.4 Recruitment of employees in Scheduled Caste, Scheduled Tribes, OBC, EWS during 2024-25 is given below:

Classification of posts	Total Vacancies Released	Total Recruitment made	Reservation of posts				Recruitment made during the year 2024-25			
(1)	(2)	(3)	(4)				(5)			
			SCs	STs	OBC	EWS	SCs	STs	OBC	EWS
Group-A	50	54	07	04	12	05	06	03	13	04
Group-B	-	2	-	-	-	-	-	-	01	-
Group-C	-	11	-	-	-	-	04	-	03	-
Group-D	-	-	-	-	-	-	-	-	-	-
Total	50	67	07	04	12	05	10	03	17	04

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 2025 is given below as directed by the Ministry of Defence, vide their letter Nos. 39(6)/99/D(B&C), dated 27 August 1999.

14.5.1 Executives

Grade	No. of Employees	Women	Percentage
I	2	2	100
II	170	31	18.24
III	64	7	10.94
IV	218	34	15.60
V	132	20	15.15
VI	116	14	12.07
VII	47	3	6.38
VIII	3	-	-
IX	3	-	-
Functional Directors	3	-	-
CMD	1	-	-
Total	759	111	14.62

14.5.2 Non-executives

Grade	No. of Employees	Women	Percentage
WG-0	-	-	-
WG-1	2	-	-
WG-2	23	4	17.39
WG-3	65	13	20.00
WG-4	97	15	15.46
WG-5	149	14	9.40
WG-6	256	16	6.25
WG-7	164	35	21.34
WG-8	181	27	14.92
WG-9	47	7	14.89
WG-10	38	4	10.53
WG-11	78	2	2.56
WG-12	410	35	8.54
Total	1510	172	11.39

14.6 Persons with Disabilities (PWD) as On 31 March 2025:

The total number of Physically Challenged employees as on 31 March 2025 is 93 and its percentage to total employees works out to 4.10%.

	VI	HI	LD	MD	Total
Group-A	6	6	12	1	25
Group-B	0	0	0	0	0
Group-C	8	17	35	0	60
Group-D	3	2	3	0	8
Total	17	25	50	1	93

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

15. HUMAN RESOURCE DEVELOPMENT:

During FY 2024-25, 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 1415 employees participated, resulting in 3099 training man-days. These programs, conducted through both in-house and external agencies, were designed to enhance skills and knowledge while also meeting statutory requirements.

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

15.1 Key Training Programs and Initiatives:**15.1.1 Vigilance Awareness Week Trainings:**

- Conducted during 03 September 2024 to 03 October 2024.
- Vigilance Awareness Trainings were conducted as per the directions from Central Vigilance Commission covering the employees, entry level managers and mid-level managers who have at least 10 years of experience.
- Themes: Ethics and Governance, Conduct Rules (CDA Rules), Conduct Rules (Standing Orders), Systems and Procedures of the Organization (NOC, Higher Education, FR56J, Grievance Procedure, Pension, PSMB etc), Cyber hygiene and Security, Procurement.

15.1.2 Skill & Knowledge Programmes:

- i) Various Skill based programmes viz. NDT Techniques, Comprehensive AI Fundamentals, Leveraging AI to enhance productivity, Design and Optimization of UAVs, Industry 4.0 / QA 4.0
- ii) Knowledge Programmes: SAP Functional Modules (MM & PP), DPR course on Media, Defence Acquisition Management Course, Mission Design and Avionics at IIST Trivandrum by ISRO etc. were conducted to stay abreast of the latest technological advances in the industry.

15.1.3 Utilization of iGOT Karmayogi (Integrated Government On-line Training):

This is an online learning and career management platform for Government Employees. Over the years, the idea is to acclimatize employees with iGOT trainings along with the regular in-house and External trainings, so as to maximize the learning appetite and to become a learning organization. All the employees were encouraged to complete 5 training capsules as pilot phase. About 87% employees were registered till FY 2024-25 and about 33% employees have completed the following courses:

- i) Prevention of Sexual Harassment of Women at Workplace
- ii) Introduction to Emerging Technologies
- iii) Orientation Module on Mission LiFE
- iv) Stay Safe in Cyber Space
- v) Code of Conduct for Government Employees

15.1.4 Outbound Training (Team Building activities) on Breaking Barriers, Building Futures:

As part of Women's Day celebrations an outbound training was conducted on 08 March 2025 to empower the women employees wherein about 300 women across all Units have participated.

15.1.5 Special Workshops and Trainings conducted:

- i) On International Day of Disabled Persons, a workshop for Persons with Benchmark Disabilities (PwBDs) was held on 03 December 2024.
- ii) Special Training Programmes for SC, ST, OBC, Ex-servicemen & PwD Associations and EC Members of Registered Union were trained on Reservations and Rosters, Role of Union in CPSEs to promote diversity and inclusion.

15.1.6 Prime Minister Internship Scheme:

- i) Phase 1 of PMIS has commenced from 02 December 2024 with target of posting 250 vacancies for FY 2024-25. On approval of Competent Authority, BDL has published vacancies for 250 nos. of Interns under Prime Minister's Internship programme in FY 2024-2025 across all Units of BDL.
- ii) These Interns are being provided with Lunch, Transport, Accommodation, Medical facilities and Mentoring apart from providing the Internship Allowance.

16. PARTICULARS OF EMPLOYEES:

No employee of the company received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Furthermore, in accordance with Ministry of Corporate Affairs Notification No. GSR 463(E) dated 05 June 2015, Government Companies are exempt from the provisions of Section 197 of the Companies Act, 2013 and the rules made thereunder.

17. FOREIGN VISITS:

Your company incurred an expenditure of around ₹ 3.36 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. There is cordial cooperation between the Recognized Trade Union and all associations and the Management, ensuring 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:

BDL stringently follows, applicable norms to maintain Safety, Health and Environment (SHE). The two Safety Committees i.e. Industrial Safety Committee and Explosive Safety Committee monitor Safety, Health and Environment (SHE) at regular intervals at BDL, KBU. The Industrial works are carried out in compliance with Factories act 1948, and explosive safety is stringently adhering to the Storage & Transport of Explosive Committee (STEC-2017) regulations framed by Centre for Fire, Explosive & Environment Safety, (CFEES) MoD, New Delhi. Safety committee meetings are conducted periodically to monitor the Safety, Health and Environment as per the statutory norms. The safety related issues are reviewed at regular intervals by General Manager/Unit Head for compliance.

During the year, Industrial Safety audit was conducted by Deputy Chief Inspector of Factories, Telangana State and observations made are duly addressed. Annual Explosive safety audit was conducted by Centre for Fire, Explosive & Environment Safety (CFEES) New Delhi and necessary actions are taken based on their observations. EMS (ISO 14001:2015) surveillance (external) audit was also successfully completed in Feb-2024 without any NC's/observations.

4 March 2025 is observed as 54th National safety day Campaign, this event observed for entire week from 4 March-11 March of 2025. In this campaign various events like Safety pledge was administered at the main gate entrance, different workstations of concerned departments, safety badges distributed to all, safety day banners displayed, various competitions like safety slogan, essay & elocution conducted in Hindi/Telugu/English languages, safety quiz and basic first aid firefighting demo conducted as safety promotional activities. Followed by 54th National Safety Day Campaign valedictory function conducted chaired by Director (Production) & Executive Director (Unit Head) with special guests Director of Factories & Joint Chief Inspector of Factories, Telangana State.

In terms of training programs, both in-house and external trainings are regularly conducted for employees on industrial and explosive safety. During the year, a special program was organized on "Train the Trainer – Explosive Safety" which was delivered by Retd., Director (CFEES) and followed by a technical session on Static Electricity which was delivered by M/s. 4S Techno Systems, Hyderabad. Special medical checkups are carried out for employees working in Electroplating and Canteen. Periodical medical checkups are carried out for employees working in other areas. Fire mock drills are conducted at regular intervals to ensure firefighting preparedness.

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

21. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG):

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:

- i) Protecting the environment and preventing all types of pollution.
- ii) Fulfilling compliance obligations.
- iii) Conserving natural resources.
- v) 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:

21.1 Environmental Management Practices:

21.1.1 ISO 14001:2015 Certification:

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

21.1.2 Waste Management:

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

21.1.3 Zero Liquid Discharge System:

- i) **Effluent Treatment:** Treated water from the effluent treatment plant undergoes further treatment through reverse osmosis (RO).
- ii) **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.
- iii) **Gardening:** Treated water from the sewage treatment plant is used for gardening within the premises.

21.1.4 Audits and Monitoring:

- i) **Internal and Surveillance Audits:** Conducted at regular intervals by certification bodies for all units.
- ii) **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.
- iii) **Resource Monitoring:** Water quantity monitored using separate water meters and electricity consumption is tracked to comply with consent conditions.

21.1.5 Celebration of WORLD ENVIRONMENT DAY - 2024:

On the occasion of World Environment Day, the Prime Minister of India launched a global campaign, “#EkPedMaaKeNaam” / “#Plant4Mothers.” In support of this initiative, BDL planted 8,366 saplings of various species, including Mango, Guava, Lemon, Coconut, Amla, Pomegranate, Neem, Orange, Peepal, Teak, Tamarind, Chilbil, Sababia Roja, Gulmohar, Pagoda, Kala Jamun, Spanish Cherry, Terminalia, Spathodea, Caesalpinia, Cassia Javanica, Jacaranda, and Tecoma Gaudichaudi, covering a total area of 15.13 acres.

World Environment Day 2024 was celebrated with great enthusiasm across all BDL units. Banners were displayed at prominent locations, and saplings were planted on 5 June 2024 to mark the occasion. Slogan writing, essay writing, and quiz competitions were organized based on the theme “Land Restoration, Desertification, and Drought Resilience.” Prizes were distributed to the winners during the valedictory function.



Shri P. V. Rajaram, Director (Production) and Shri. M. Ravi, ED (Unit Head-KBU) inaugurated tree plantation at Kanchanbagh. GMs and Senior Executives, Union Representatives and employees also participated in the plantation programme.



Shri. L Kishan, ED (Unit Head-BU) inaugurated tree plantation at Bhanur Unit. AGMs, DGMs, Core Team Members, Trade Union Representatives and employees have participated in tree plantation programme on this day.



The gathering was addressed on ecosystem imbalances, protection of mother earth and prevention of pollution.
Prizes were also distributed to the winners on valedictory function.



Shri R. Simhachalam, then General Manager and Unit Head (VU), planted saplings along with AGMs, DGMs, and Core Team Members at the Visakhapatnam Unit. On this occasion, BDL Visakhapatnam also planted 140 saplings around the integration building and pond area.



The then General Manager and Unit Head (VU) addressed the gathering on the theme "Land Restoration, Desertification, and Drought Resilience." Guest speaker Prof. Dr. S. Bala Prasad from the Department of Environmental Engineering, Andhra University, Visakhapatnam, delivered a speech on the theme and its significance in translating sustainable practices into day-to-day activities aimed at creating a healthier and greener planet. Prizes were also distributed to the winners during the valedictory function.

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 27001:2022 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.

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 thereunder are ensured. Quarterly OLIC Meetings were held regularly under the Chairmanship of CMD and Directors, besides submission of Quarterly progress reports on use of OL, which are sent in time to authorities concerned.
- 23.2 In compliance with the Official Language (OL) Act, 1963 and the Presidential Orders thereon, the papers laid before Parliament, the Annual Report of the Company, the Memorandum of Understanding (MoU) with the Ministry of Defence (MoD), and brief presentations for various Parliamentary Committees and delegations are prepared in bilingual format and submitted accordingly.
- 23.3 In compliance to the assurances and directives of Parliamentary Committee on OL, 'A series of Hindi Workshops' were organized wherein a total of 512 nos. of officials were covered in 20 Hindi Workshops organized during the year with an objective to integrate the use of Hindi effectively in day-to-day functioning. During the workshops, fulfilling the assurances given to the parliamentary Committee on OL and its action plan was discussed and implanted 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. 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" (2nd & 3rd issues) was released and issued.
- 23.4 An "Orientation Program on OL Policy" was organized on 7 March 2025 for newly joined executives. The DGM (HR-OL) briefed the trainee officers on the Official Language Policy of the Government of India, emphasizing the role of executives in its implementation and encouraging them to use Hindi in their routine work.
- 23.5 BDL was awarded the "TOLIC Rajbhasha Trophy" for the best implementation of the Official Language among PSUs in the twin cities. The trophy and certificate were presented by the CMD of ECIL & Chairman, TOLIC (Undertakings) to the DGM (HR-OL) at the 59th Half-Yearly Meeting held on 28 May 2024.
- 23.6 Hindi Fortnight 2024 was celebrated from 10 to 26 September 2024 at the Corporate Office and across all units. Various competitions were organized, including 'Vocabulary-Noting-Drafting', 'Hindi Dictation', 'Hindi Typing on Computers', and 'Multimedia Hindi Quiz' for officers and employees at the Corporate Office, Kanchanbagh Unit, Bhanur Unit, and Visakhapatnam Unit. BDL also participated in Hindi Diwas and the 4th All India OL Conference organized by the Department of Official Language, MHA, Gol, from 14 to 15 September 2024 at Bharat Mandapam, New Delhi. The valedictory program for the Hindi Fortnight was held on 26 September 2024 under the chairmanship of the CMD, with Directors, Unit Heads, and senior officials in attendance. Cash awards were presented to the winners of competitions and to employees recognized for original work in Hindi during the year.
- 23.7 To mark the golden jubilee of the Constitution of India and the Official Language, a special program was organized on 5 March 2025. A lecture session included a documentary on the Constitution and a presentation covering its key features and creation. In the second session, the DGM (HR-OL) spoke on the role of the Official Language in national development and highlighted various Government initiatives to promote and propagate Hindi.
- 23.8 A 'Hindi Kavya Goshthi' was organized on 7 March 2025 to encourage creative writing among executives and non-executives. Dr. Surabhi Dutt, a political science academician, and Dr. Rajeev Singh, an eminent writer and academician, were the chief guests. Besides the guests, BDL executives also presented their poems during the event.
- 23.9 On occasions such as Republic Day, Independence Day, Vigilance Awareness Week, Swachhata Pakhwada, and Constitution Day, programs were conducted in both Hindi and English. The company's Hindi website was regularly updated in line with Government directives. Officers and employees also participated in Inter-PSU competitions conducted by TOLIC (Undertakings) and won eight prizes.
- 23.10 To promote the use of Hindi and encourage reading habits among officers and employees, BDL subscribes to a variety of Hindi magazines and newspapers, including Hindi Milap, Swatantra Vaartha, Daily Shubha-Labh, Anuvad, Sahitya Amrit, Avishkar, Yojana, Hindi Rozgar Samachar, Pratiyogita Darpan, Meri Saheli, and Hans. Additionally, popular Hindi books on various subjects are purchased annually as per the directives of the Department of Official Language.

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 11 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-2024, various preventive vigilance measures were undertaken in 3-months campaign made across units of the Company during 16 August 2024 to 15 November 2024 in the following focus areas:

- Capacity Building Programs
- Identification and implementation of Systemic Improvement measures
- Dynamic Digital Presence
- Updation of Circulars/ Guidelines/ Manuals
- Disposal of complaints received before 30 June 2024

24.3 Being an extended arm of the Central Vigilance Commission (CVC), New Delhi, the department has submitted various reports i.e., Monthly, Quarterly, Annual & CTE Type to the Commission and also to Department of Vigilance, Ministry of Defence and to the Board of the Company. The Department has also issued vigilance clearances to employees in cases of Recruitment, Promotion, Absorption, Confirmation, Foreign visits, for postings in sensitive areas etc. The department has also accorded priority in handling the complaints as per the complaint handling policy of the CVC.

24.4 As part of the observance of Vigilance Awareness Week during the campaign period, Smt. G Sreedevi Retd, Justice of High Court of Telangana, visited Kanchanbagh Unit of BDL on 04 November 2024. On her visit to the Company, Smt. G Sreedevi was briefed about BDL by Commodore A. Madhavarao (Retd.), Chairman & Managing Director, BDL. A presentation was made by Shri K. Srinivas, AGM & HoD (Vigilance) about the vigilance activities at BDL and the preventive vigilance activities being undertaken in campaign period. In her keynote address to the gathering of senior management executives, the chief guest appreciated the vigilance initiatives of BDL. During her address, she has highlighted the significance of Vigilance Awareness Week and exhorted all to be vigilant about irregularities. She has underlined the need for transparency and enhancing awareness among the employees about vigilance.



Felicitation to the Chief Guest Smt. G Sreedevi Retd, Justice of High Court of Telangana by BDL Management for addressing the gathering of employees during VAW-2024 at Kanchanbagh Unit.

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)-2024 with the theme "Culture of Integrity for Nations Prosperity" was observed across units of Bharat Dynamics Limited from 28 October 2024 to 03 November 2024. The observance of VAW-2024 commenced with Commodore A. Madhavarao (Retd.), Chairman and Managing Director (CMD), BDL administering 'integrity pledge for citizens' at 11 AM on 28 October 2024 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 HoD (Vigilance) to the august gathering. The program was live across units of the company through video conference. A total of 2310 employees of BDL have taken the Integrity Pledge during observance of vigilance awareness week.



Employees administering the Integrity pledge through video conference by Units as part of VAW-2024

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 making on issues relating to Anticorruption were conducted for employees, spouse and children of employees during the Vigilance Awareness Week-2024. '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.



School Children participated in various events organized as part of VAW-2024

- 24.7 As part of Vigilance Awareness Week - 2024, Sensitization programs for employees on matters relating to the Role of Inquiry Officer (IO) & Presenting Officer (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.
- 24.8 To spread awareness on the theme of "Culture of Integrity for Nations Prosperity" 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 'e-integrity pledge', a link of e-website was hosted in the BDL website. Short telephonic messages were sent to all employees encouraging to be a part of "Vigilance Awareness Week-2024" and to take integrity pledge clicking by the link <http://pledge.cvc.nic.in>.
- 24.9 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 Kyasaram village on 30 October 2024. Students, youth, personnel from CISF Unit of BDL Bhanur Unit, BDL employees, local leaders and the general public participated enthusiastically in the Walkathon. 'Integrity Pledge' was administered to the participants on the occasion. Shri P V Rajaram, Director (Production), BDL has flagged-off the walkathon along with representatives of the Municipality Officials. Public were appraised 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.
- 24.10 Online Vendor Meet was organized by Corporate Commercial Department of BDL on 29 October 2024 at Corporate Office, 150 vendors of BDL participated. A presentation on the provisions of Integrity Pact (IP) and role of Independent External Monitor (IEM) was made on this occasion.



The 5th edition of "CHETANA"- annual vigilance newsletter was released during valedictory function of VAW-2024 by Chief Guest Smt. G Sreedevi Retd., Justice of High Court of Telangana on 04 November 2024.

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/BDLACABPolicy_0.pdf.

26. BOARD OF DIRECTORS:

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

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

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

During the year, out of six (6) Independent Directors, the term of office of five (5) Independent Directors namely Shri. Sunil Chintaman Mone, Shri. Nandakumar Subburaman, Dr. Pawan Sthapak, Prof. (Dr.) Sanghamitra Mishra and Shri Rajendra Singh Shekhawat was completed in the month of December, 2024. The Board expresses its gratitude for the valuable contributions made by them during their tenure.

The Ministry of Defence, Government of India vide its letter No. -M0001(11)/3/2018-D(BDL) dated 22.04.2025 appointed Shri.Chetan Bansilal Kankaria as Part-time Non-Official Independent Director for a period of one year 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, the Ministry of Defence, Government of India has appointed Shri. D. V. Srinivas as Director (Technical) of BDL vide their letter No. DDP-M0001(11)/4/2023-D(BDL) -dated 20 September 2024 and Shri. G. Gayatri Prasad as Director (Finance) of BDL vide their letter No. DDP-M0001(11)/3/2023-D(BDL)-dated 18 December 2024.

26.5 In accordance with the provisions of Section 152 of the Companies Act, Shri. U. Raja Babu, Govt Director, retires by rotation at the upcoming Annual General Meeting and, being eligible, offers himself for reappointment.

26.6 Number of Meetings of Board:

During the year 2024-25, six (6) Board Meetings were held on 30 May 2024, 09 August 2024, 25 October 2024, 14 November 2024, 09 December 2024 and 06 February 2025.

26.7 Performance Evaluation:

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

26.8 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 and Sustainability Development 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:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) Directors have 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 2025 and of the profit of the company for the year ended on that date.

- (iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) Directors have prepared the annual accounts on a going concern basis.
- (v) Directors have laid down internal financial controls which are being followed by the company and that such internal financial controls were adequate and operating effectively and
- (vi) Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. SIGNIFICANT AND MATERIAL ORDERS:

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

29. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Material changes and commitments affecting the financial position of the company which have occurred between 31 March 2025 and date of signing of this Report are - Nil.

30. AUDIT COMMITTEE:

During the year 2024-25, four (4) 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.

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 2024-25 is enclosed at **Annexure-I**.
- 31.5 During the year 2024-25, the CSR & SD obligation was ₹1288.23 lakh. Against the total CSR obligation, the company has incurred an expenditure of ₹1334.13 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/csr-projects>

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/PolicyonRelatedPartyTransactions_1.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.

During the year, your company as a part of energy conservation measures, procured and installed LED lights (14032 Nos.), BLDC Fans (744 Nos.), 5 Star Rated ACs (74 Nos.), IE3 Motors (30 Nos.), e-mobility (2 wheelers -3 Nos. & 4 wheelers – 5 Nos.). By installing the above, your company has adopted energy conservation measures across BDL. BDL had installed two 5 MW solar power plants of each (Land based) and 200 KW (Rooftop) inside the premises at Kanchanbagh and Bhanur respectively. Further, planned to install 0.5 MW solar power plant (rooftop) at Visakhapatnam unit.

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 2024-25 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 2024-25 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 2024-25 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), M/s. C.V.Reddy K & Associates, Practicing Company Secretaries (PCS Registration No.7976) has conducted Secretarial Audit of the company for the financial year 2024-25. The Secretarial Audit Report is appended to the Annual Report.

In compliance with Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, the Board at its meeting held on 27 May, 2025, has approved the appointment of M/s. C.V.Reddy K & Associates, Practicing Company Secretaries, a peer reviewed firm (Firm Registration No.6517/2025) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members at the ensuing AGM.

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 onetime 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 2024-25, no sexual harassment complaints were received by your company.

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/Info-on-BDL.pdf>. It contains general information of the company, functions, powers and duties of employees/officers, decisions making process, rules, regulations, manuals and records held by the company, directory of the Company's Officers, pay scales of officers/ employees and procedure for seeking information and inspection of records. The company has nominated a Central Public Information Officer of Senior Manager Level to attend to queries and appeals.

During the year 2024-25, the CPIO has received 185 applications/queries, out of which 173 applications have been disposed-off and 9 (Nine) application is transferred to other Public Authority. 3 (Three) RTI queries are under process. Further, out of 19 appeals received, 17 are disposed-off by Final Appellate Authority and 2 (Two) are under process as on 31 March 2025.

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/WBP.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") as part of the Annual Report based on market capitalization. Your Company has prepared a comprehensive policy framework for BRSR, after studying the SEBI (LODR) Regulations, 2015 (as amended) requirements and keeping in view the business and governance environment in which BDL as a Defence PSU operates. The company's BRSR for the year is available on the BDL's website at <https://bdl-india.in/sites/default/files/BRSR-24-25.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/DividendDistributionPolicy_1.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, 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
DIN: 09808949

Place : Hyderabad
Date : 27 May 2025

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 Corporate Social Responsibility (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 CSR 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 an 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. As per DPE Guidelines, BDL has also ventured into Aspirational Districts / under developed areas in Telangana, Andhra Pradesh and other states undertake 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:

- Sahara Hostel for Veer Naaris, Vishakhapatnam
- Healthy Baby Nutrition Support (3000 kits) by ABV Foundation, Secunderabad
- Smart Classrooms in Vizianagaram District and Visakhapatnam, District of AP
- STERRAD 100S GAS PLASMA STERILIZER to MNJ & Regional Cancer Centre, Hyderabad
- Construction of Choultry (III floor) + Lift at MNJ & Regional Cancer Centre, Hyderabad
- Critical Care Ambulance to Military Hospital, Secunderabad
- Medical Infrastructure at Healthcare Centre at Kumuram Bheem Asifabad of TS, Parvathipuram & Gajapathinagaram of AP
- Fitment of Cochlear Implants to the Children with Hearing Impairment through ALIMCO of Telangana and Andhra Pradesh State

BDL was awarded the following awards:-

- i) "Global CSR Excellence & Leadership Awards in recognition of "Quality of Education" and "Concern for Health".
- ii) Grow Care India CSR Excellence Leadership Award 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 (Ceased w.e.f. 28 December 2024)	Chairperson of the Committee / Independent Director	3	3
2	Shri. Jashwant Lal (Appointed as Chairperson w.e.f. 28 December 2024)	Chairperson of the Committee / Independent Director	3	3
3	Shri. Sunil Chintaman Mone (Ceased w.e.f. 24 December 2024)	Member of the Committee / Independent Director	3	3
4	Prof. (Dr) Sangamitra Mishra (Ceased w.e.f. 27 December 2024)	Member of the Committee / Independent Director	3	3

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
5	Shri. Nanda Kumar Subburaman (Ceased w.e.f. 24 December 2024)	Member of the Committee / Independent Director	3	3
6	Dr. Pawan Sthapak (Ceased w.e.f. 24 December 2024)	Member of the Committee / Independent Director	3	2
7	Shri PV. Raja Ram	Member of the Committee / Director (Production)	3	3
8	Shri D.V Srinivas Rao (Appointed w.e.f 28 December 2024)	Member of the Committee / Director (Technical)	-	-
9	Shri G. Gayatri Prasad (Appointed w.e.f 28 December 2024)	Member of the Committee / Director (Finance) and CFO	-	-

- 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 website <https://bdl-india.in/csr>
- 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 2024-25 is ₹ 1369.02 lakh – Set-off Previous Year is ₹ 80.79 lakh and net provision is ₹ 1288.23 lakh. The details of the projects executed during 2024-25 are as follows:

(₹ In Lakh)

S.No.	Description	Total Sanctioned Budget (₹)	Expenditure For FY 2024-25 (₹)	Project Status
1	Sahara Hostel for Veer Naaris, Visakhapatnam	200.00	200.00	Completed
2	Healthy Baby Nutrition Support (3000 kits) by ABV Foundation, Secunderabad	109.50	109.50	Completed
3	Smart Class rooms in Government schools of Vizianagaram District, AP	300.00	100.00	Ongoing
4	Sterrad 100s gas plasma sterilizer- MNJ-Hospital	53.00	53.00	Completed
5	Construction of Choultry (III floor) + Lift at MNJIO & RCC, Hyderabad (MNJ)	150.00	49.70	Completed
6	Advanced Critical Care Ambulance for Military Hospital, Secunderabad	50.00	41.05	Completed
7	Distribution of Dual Desks to Govt. Schools in Aspirational District – Kumurambheem Asifabad Dist.	50.00	39.99	Ongoing
8	Medical Infrastructure at Healthcare Centres at Kumurum Bheem Asifabad of TS, Parvathipuram & Gajapathinagaram of AP	38.00	37.44	Completed
9	Machinery for NIEPID, Manovikas Nagar, Secunderabad	40.00	32.00	Ongoing
10	DIAT, Pune	93.00	30.00	Completed
11	Shishu Shiksha Samithi, Assam - Construction of “Separate classroom and toilet block for nursery students”	30.00	30.00	Completed
12	Contribution to Pandit Jasraj Cultural Foundation for “Cultural Heritage Digital Infrastructure – OTT app and portal”	30.00	30.00	Completed

S.No.	Description	Total Sanctioned Budget (₹)	Expenditure For FY 2024-25 (₹)	Project Status
13	Awareness creation and supplying of Sanitary Napkins to Girl Students of Govt. Schools in Telangana State (NIRDPR)	100.00	29.84	Completed
14	Contribution to Chinmaya Mission, Visakhapatnam	25.00	25.00	Completed
15	Distribution of Aids & Appliances including Artificial Limbs & Calipers to the Persons with Disabilities (PwDs) in Aspirational Districts of T.S.	50.00	25.00	Ongoing
16	Field Analyser for Glaucoma Treatment for Sankar Foundation, Visakhapatnam	23.50	23.24	Completed
17	High Pressure Toilet Cleaning Machines	25.50	20.77	Completed
18	Construction of Water Tanks to provide Drinking Water for Animals at Simhachalam & Animal Shed at Annavaram	50.85	19.80	Ongoing
19	Distribution of Dual Desks through Central Prisons, Secunderabad Constituency	100.00	19.70	Completed
20	Dokra Craft development Project in Asifabad (Aspirational Dist.), TS	47.65	16.63	Completed
21	Education to underprivileged children by Utkarsh foundation, Gonda District, UP	13.00	13.00	Completed
22	Mid-day meal program through Akshaya Patra Foundation Govt. School Children of TS & AP	75.00	12.51	Completed
23	Smart Class Rooms to Vyomayana Samstha Vidyalaya, Koraput	12.96	10.37	Completed
24	Four X-Ray machines at CHC, Sitapur, UP	40.00	9.91	Completed
25	Infrastructure to Govt. Degree College, Huzurabad	12.42	9.66	Completed
26	Solar Lights to Nainital District, Uttarakhand	90.00	9.00	Ongoing
27	Infrastructure to Balwadi School, Vishakhapatnam	5.44	5.00	Completed
28	Terracotta Handicraft Development Project in Asifabad (Aspirational Dist.), TS	28.70	4.25	Completed
29	Infrastructure to ECHS-Secunderabad	4.58	3.21	Completed
30	Celebrate the life and work of the immortal vaggeyakar of Telangana Shri Bhakta Ramadas, Telangana Nataka Academy	3.00	3.00	Completed
31	Construction of three additional class rooms at ZP School Mukundapuram	40.00	1.27	Completed
32	PM Internship	-	0.33	Completed
33	Stipend paid to the Apprentices (i.e over and above of 2.5% minimum mandate under Apprentice Act, 1961)	-	250.74	Completed
34	Administrative Overheads (Including Impact Assessment Expenses)	-	69.22	Completed
Total		2891.10	1334.13	

Impact Assessment of the CSR Projects for the FY 2021-22 & 2022-23 completed and available on website <https://bdl-india.in/csr>

5. Details of CSR provision of the Company for the year 2024-25:

(a)	Average net profit of the company as per section 135(5)	₹68451.23 Lakh
(b)	Two percent of average net profit of the company as per section 135(5)	₹1369.02 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,	₹ 80.79 Lakh
(e)	Total CSR obligation for the financial year (b+c-d)	₹1288.23Lakh

6. Details of CSR amount Spent for the year 2024-25:

(a)	Amount spent on CSR Projects (both Ongoing Project and other than ongoing project)	₹1264.91 Lakh
(b)	Amount spent in Administrative Overheads	₹66.39 Lakh
(c)	Amount spent on Impact Assessment, if applicable,	₹2.83 Lakh
(d)	Total amount spent for the Financial Year (a+b+c)	₹1334.13 Lakh

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

Amount unspent (in ₹) Nil					
Total amount spent for the FY (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
Rs. 1334.13 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 (after set-off of expenditure made in the previous FY)	1288.23 Lakh
(ii)	Total amount spent for the financial year	1334.13 Lakh
(iii)	Excess amount spent for the financial year (ii)-(i)	45.90 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)]	45.90 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	2023-24	Nil	N/A	Nil	Nil	N/A	Nil	N/A
2	2022-23	NIL	N/A	Nil	Nil	N/A	Nil	N/A
3	2021-22	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

(₹ In Lakh)

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity / Authority / beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
1	Construction of Sahara Hostel for Veer Naaris, Visakhapatnam	530014	28 Mar 2025	200.00	Head Quarters, Eastern Naval Command, Naval Base, Visakhapatnam
2	Smart Class Room (Digital Equipment to Govt. Schools). Vizianagaram, AP	535003	17 Mar 2025	100.00	District Collector, Vizianagaram District
3	Sterrad 100s Gas Plasma Sterilizer- MNJIO & RCC, Hyderabad	500004	28 Mar 2025	53.00	Director MNJIO, 11-5,399 Red Hills, Lakdikapul, Hyderabad, Telangana State
4	Construction of Choultry (III floor) + Lift at MNJIO & RCC, Hyderabad (MNJ)	500004	03 Jan 2024	49.70	Director MNJIO, 11-5,399 Red Hills, Lakdikapul, Hyderabad, Telangana State
5	Advance Life Support Critical Care Ambulance	500015	28 Mar 2025	41.05	Military Hospital, Military Hospital Road, Tirumalagiri, Secunderabad, Telangana State
6	Distribution of Dual Desks to Govt. Schools in Aspirational District - Kumurambheem Asifabad Dist.	501302	26 Mar 2025	39.99	District Education Officer (DEO), Kumurambheem, Asifabad
7	Medical Infrastructure at Healthcare Centres at Kumurum Bheem Asifabad of TS, Parvathipuram & Gajapathinagaram of AP	504293	28 Mar 2025	37.43	District Medical & Health Officer of Kumuram Bheem Asifabad of TS and Parvathipuram, & Gajapathinagaram of AP
8	Machinery for NIEPID, Manovikas Nagar, Secunderabad	500009	20 Mar 2025	32.00	Director, NIEPID, Manovikas Nagar, Secunderabad, Telangana
9	Shishu Shiksha Samithi, Assam - Construction of "Separate classroom and toilet block for nursery students"	781024	25 Mar 2025	30.00	Shishu Shiksha Samiti, Assam, Prashata Path, R.G. Baruah Road, Guwahati
10	Contribution to Pandit Jasraj Cultural Foundation for "Cultural Heritage Digital Infrastructure- OTT app and Portal	400061	26 Mar 2025	30.00	Pandit Jasraj Cultural Foundation, 402, Floor 4, ShivKaran, Yari Road, Andheri (West), Maharashtra, Mumbai
11	Contribution to Chinmaya Mission, Visakhapatnam	530032	28 Mar 2025	25.00	Chinmaya Mission, Visakhapatnam West (Ukkunagaram)
12	Field Analyser for Glaucoma Treatment (Model-HFA 840)	530047	12 Mar 2025	23.24	Sankar Foundation, Door No. 19-50, Sri Sai Madhav Nagar, Vepagunta, Naidu Thota, Vishakhapatnam, India.
13	High Pressure Toilet Cleaning Machines	500038	04 Jan 2024	20.77	ABV Foundation
14	Construction of Water Tanks to provide Drinking Water for Animals at Simhachalam & Animal Shed at Annavaram	530028	28 Mar 2025	19.80	Executive Officer of Sri Varaha Lakshmi Narasimha Swamy Devasthanam, Simanchalam, Vizag & Executive Officer of Sri Veera Venkata Satyanarayana Swamy, Devasthanam, Annavaram

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity / Authority / beneficiary of the registered owner
15	Distribution of Dual Desks through Central Prisons, Secunderabad Constituency	500024	28 Dec 2024	19.70	District Education Officer (DEO) of Secunderabad/Hyderabad, Telangana
16	Smart Class Room to Vyomayana Samstha Vidyalaya, Koraput	763002	05 Mar 2025	10.37	Vyomayana Samstha Vidyalaya, Sunabeda, Koraput, Odisha
17	Solar Lights to Nainital District, Uttarakhand	248001	30 Jan 2025	9.00	M/S Ureda Project Nanital State Level Energy Park Industrial Area, Patel Nagar, Dehradun, Uttarakhand
18	Four X-Ray machines at CHC, Sitapur, UP	261001	05 Jan 2025	9.91	Chief Medical Officer, Sitapur, UP
19	Infrastructure to Govt. Degree College, Huzurabad	505468	12 Dec 2024	9.82	Govt. Degree College, Huzurabad, Karimnagar Dist.
20	Infrastructure to Balwadi School, Vishakhapatnam	530014	30 June 2024	5.00	Balwadi School, Naval Park, Vishakhapatnam
21	Infrastructure to ECHS-Secunderabad (24-25)	500015	23 Sep 2024	3.21	ECHS Policlinic, Triumulgiriy
22	Construction of three additional class rooms at ZP School Mukundapuram	508001	15 May 2024	1.27	Collector & District Magistrate, Nalgonda

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 Madhavarao (Retd)
Chairman and Managing Director
DIN: 09808949

Date: 27 May 2025
Place: Hyderabad



Shri. Jashwant Lal
(Chairman CSR Committee)
DIN: 10055098



Grow Care India Excellence Award 2024



Machines Handover to M/s National Institute for the Empowerment of persons with Intellectual Disabilities under skill development.



Life Support Critical Care Ambulance Handover to Military Hospital, Secunderabad by CMD, BDL.

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 "Viksit 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 largest military spender and has positioned itself as a key player in the global defence industry. India ranked as the second-largest arms importer, though its imports declined by 9.3% between 2015-2019 and 2020-2024. The Indian defence manufacturing industry is a significant sector of the economy and may likely to accelerate due to current geo-political situations.

The Indian defence sector has witnessed significant developments and transformations during the financial year 2024-25, largely driven by strategic priorities, technological advancements, and geopolitical dynamics. During the fiscal year 2024-2025, India's defence sector experienced remarkable growth, underscoring the nation's commitment to self-reliance and global competitiveness in defence manufacturing.

India's domestic defence production reached ₹1,26,887 crore in FY 2023-24, marking a 16.7% increase from the previous year. This surge reflects the effectiveness of policies promoting indigenous manufacturing and the "Aatmanirbharta" (self-reliance) initiative. The public sector contributed 79.2% to this production, while the private sector accounted for 20.8%. The Government of India aims to escalate defence production to ₹3 lakh crore by 2029. 65% of defence equipment is now manufactured domestically, a significant shift from the earlier 65-70% import dependency, showcasing India's self-reliance in defence. A robust defence industrial base includes 16 DPSUs, over 430 licensed companies, and approximately 16,000 MSMEs, strengthening indigenous production capabilities.

The Ministry of Defence has signed a record 193 contracts in 2024-25, with the total contract value surpassing ₹2,09,050 crore, nearly double the previous highest figure. This milestone reflects the government's commitment to strengthening national security through enhanced procurement and modernisation of the Armed Forces. Of these, 177 contracts, accounting for 92 percent, have been awarded to the domestic industry, amounting to ₹1,68,922 crore, which is 81 percent of the total contract value. This significant focus on indigenous manufacturing aligns with the vision of self-reliance in defence production, boosting local industries and generating employment across the sector.

India's defence exports soared to a record ₹21,083 crore (approximately \$2.63 billion) in FY 2023-24, a 32.5% increase from the previous year. Over the past decade, exports have grown 30-fold, positioning India as a significant player in the global defence market. The private sector contributed about 60% of these exports, with Defence Public Sector Undertakings (DPSUs) accounting for the remaining 40%. The Government of India targets ₹50,000 crore in defence exports by 2029. The surge in the defence budget, from ₹2.53 lakh crore in 2013-14 to ₹6.81 lakh crore in 2025-26, underlines the nation's determination to strengthen its military infrastructure.

Overall, the 2024-2025 period marked a transformative phase for India's defence sector, characterized by substantial growth in production, exports, strategic collaborations, and technological innovations, aligning with the nation's vision of achieving self-reliance in defence. With an emphasis on indigenous production, technological advancements, and strengthening geopolitical alliances, India is positioning itself as a key player in global defence and underscore its transformation into a self-reliant and globally competitive military manufacturing hub.

The combination of strategic policy interventions, increased domestic participation, and a focus on indigenous innovation has significantly strengthened the country's defence capabilities. The increase in production, the exponential rise in exports, and the success of initiatives like the Make in India reflect India's commitment to achieving Atmanirbharta in defence.

As the fiscal year progresses, the focus will likely continue on enhancing defence capabilities, improving infrastructure, and ensuring that the country remains prepared to face evolving security challenges in the region and beyond. With ambitious targets set for 2029, the nation is poised to further expand its global footprint, reinforcing its position as a dependable partner in the international defence market while enhancing national security and economic growth.

(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 Defence Production (DDP) and the Department of Military Affairs (DMA) have issued five Positive Indigenisation Lists (PILs) for LRUs, assemblies, sub-assemblies, sub-systems, spares, components, and high-end materials. These lists set fixed timelines beyond which procurement will be restricted to domestic manufacturers. Out of over 5,500 items listed, more than 3,000 have been indigenised as of February 2025. Key indigenised technologies include artillery guns, assault rifles, corvettes, sonar systems, transport aircraft, light combat helicopters (LCHs), radars, wheeled armoured platforms, rockets, bombs, armoured command post vehicles, and armoured dozers.

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

BDL is utilizing the Srijan Portal, a Ministry of Defence indigenisation portal. The main objective of Srijan portal is to partner the Private sector in Indigenisation efforts of Defence PSUs. BDL uploads the details of imported items which are planned for Indigenisation and the Indian Industry can come forward for developing these items.

BDL has uploaded 1198 Nos. of imported items on the portal. Till this year, 217 items (cumulatively) have been Indigenised. Necessary technical support is being provided to Micro, Small and Medium Enterprises (MSMEs) to encourage them to produce quality items. BDL 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.

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

2.2 Manufacturing facilities

The company has three manufacturing facilities located in Hyderabad, Bhanur and Vishakhapatnam. All the manufacturing facilities have 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). 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 27001:2022 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.

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 2025 is about ₹22814 crore.

2.4 Financial Performance

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

Particulars	₹ in Crore		% of Increase/ (Decrease)
	2024-25	2023-24	
Sales/Revenue from Operations	3345	2363	41%
Value of Production	3767	2592	45%
i) Import Material Consumed	110	148	(26%)
ii) Indigenous Material Consumed	1990	972	105%
Total Material Consumed	2100	1120	86%
Value Added	1667	1472	13%
Profit Before Tax	749	828	(10%)
Profit After Tax	550	613	(10%)
Earnings per share [#] (in Rupee)	14.99	16.72	(10%)

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)
	2024-25	2023-24	
Gross Block (Excl. CWIP)	1601	1497	7%
Accumulated Depreciation	743	673	10%
Net Block	858	824	4%
Working Capital (Net)	6018	6233	(3%)
Capital Employed	3886	3566	11%
Net Worth	4009	3637	10%

*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 2024-25	FY 2023-24	Change (in %)	Explanation for change of 25% or more
Debtors Turnover Ratio (times)	5.89	9.57	(38%)	Reduction is mainly due to increase in trade receivables on account of higher sales in the month of March 2025.
Inventory Turnover Ratio (times)	1.45	1.25	(16%)	-
Interest Coverage Ratio (times)	Nil	Nil	-	-
Current Ratio (times)	2.38	3.07	(22%)	-
Debt Equity Ratio (times)	Nil	Nil	-	-
Operating Profit Margin (%)	12%	20%	(40%)	Reduction on account of Onerous Provision (₹ 14140.14 Lakh) made during the year, resulted in lower Net Profit during 2024-25. Further during 2023-24, there was one off refund / reversal of ₹ 16491.29 which is partly offset by one time exp ₹ 4599.42 lakh.
Net Profit Margin (%)	16%	26%	(38%)	Reduction on account of Onerous Provision (₹ 14140.14 Lakh) made during the year, resulted in lower Net Profit during 2024-25. Further during 2023-24, there was one off refund / reversal of ₹ 16491.29 which is partly offset by one time exp ₹ 4599.42 lakh.
Return on Net worth (%)	14%	18%	(22%)	-

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 23 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

- i) To attain complete Self-Reliance in the development, production, and lifecycle support of all categories of Missile Systems, including advanced strategic weapons.
- ii) To become competitive in Guided Missiles and Underwater Guided Weapon Technology and Production.
- iii) To maximize utilization of existing production capacities.
- iv) To become a prime competitor in the world market and export products to friendly countries. Position BDL as a globally recognized brand in weapon Systems, setting benchmarks in innovation, quality, and strategic partnerships. Establish BDL as a trusted supplier of export-quality weapon Systems.

2.6 Opportunities & Threats

Opportunities

- i) 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.
- ii) BDL has an experienced senior management and staff having vast experience in defence equipment manufacturing.
- iii) Increased thrust on defence Indigenization under the "Make in India" policy has thrown up more opportunities for BDL. Government initiatives like 'Make in India' and the negative list of imports (Positive Indigenisation List) provide significant opportunities for BDL to develop indigenous capabilities, reduce foreign dependency, and enhance Self-Reliance.
- iv) BDL has a strong supply chain comprising of technically qualified vendors and suppliers to ensure timely delivery of materials.
- v) BDL's primary customer is Ministry of Defence, Government of India (GoI). The GoI has been allocating increased budget for acquiring defence equipment.
- vi) 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. Simplified export regulations and favourable government policies open avenues to attract new customers and improve the order book position.
- vii) Ongoing geopolitical conflicts have increased the demand for affordable, reliable Defence products. BDL's competitive pricing, driven by lower labour and conversion costs, makes it an attractive supplier.

Threats

- i) Slowdown in the economic activities and lower defence budget by GoI could adversely impact BDL's business.
- ii) Higher dependency on single customer i.e. Ministry of Defence (MoD). Reliance on a single domestic customer limits diversification and exposes BDL to market volatility.
- iii) Cancellation of orders can weaken the order book and future revenue. Short closure of orders adversely impacts BDL's ability to maintain a strong order book position.
- iv) Delayed Technology Acquisition: Time-consuming processes to acquire niche technologies and supply disruptions from foreign OEMs, exacerbated by geopolitical conflicts, hinder timely product development.
- v) Opening up of the Defence sector. As private sector participation increases, evaluating long-term business prospects becomes increasingly complex.
- vi) Export Permissions and ToT Issues: Non-clearance of export permissions and reluctance of foreign OEMs to transfer critical technologies cause delays in development and Productionization.
- vii) Idle production lines due to the non-availability of firm orders lead to workforce shifts and operational inefficiencies.

2.7 Key Strategies

Key strategies of BDL are structured into four interdependent strategies: Product Portfolio Strategy, R&D and Technology Strategy, Export Strategy, and Management & Human Resources Strategy. Together, these Strategies aim to establish BDL as a trusted global brand, drive technological Self-Reliance, expand its International footprint, and cultivate a workforce that embodies innovation and excellence.

Each Strategy encapsulates specific objectives and actionable goals to align BDL's growth trajectory with India's Defence planning and the Global Defence landscape. To achieve our strategic goals, the company would focus on the following:

- 2.7.1 Product Portfolio Strategy:** BDL's Product Portfolio Strategy focuses on achieving comprehensive Self-Reliance in the development, production, and lifecycle support of advanced weapon Systems. This includes Missile Systems, Underwater Weapons, and Cutting-Edge Technologies such as Hypersonic Missiles, Directed Energy Weapons, and Autonomous Systems. BDL aims to diversify its product portfolio by exploring dual-use technologies that cater to both defence and civilian applications, thereby expanding its market reach. The vision emphasizes the co-development of critical propulsion Systems, seekers, warheads, and other components to eliminate reliance on foreign supply chains. By 2030-31, BDL aspires to achieve a turnover of ₹10,000 crore, positioning itself as a premier manufacturer of strategic and tactical Defence solutions. 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. In addition to above, BDL as a part of diversification plan, new verticals have been identified like guided bombs, drone delivered payloads, war head manufacturing, engines for cruise missiles, products for space applications and propellants, rockets, which are expected to create new business opportunities for BDL.
- 2.7.2 R&D and Technology Strategy:** Central to BDL's growth is its commitment to technological leadership and innovation. The Technology and R&D Strategy outlines dual goals of leveraging advanced technologies and achieving Self-Reliance in critical components. While AI, ML, and quantum computing are transformative, the primary emphasis is on indigenizing critical Subsystems of Missiles, such as seekers, edge processors, and advanced propulsion Systems. Joint development with DRDO, academia, and Start-ups, coupled with focused in-house efforts, will enable BDL to reduce dependency on foreign suppliers and secure its position as a leader in Missile technology. BDL will focus on assimilating advanced technologies such as artificial intelligence (AI), machine learning (ML), and Industry 4.0 into its operations and product lines. BDL plans to allocate 9% of its revenue to R&D over the next five years, fostering collaborations with academia, Start-ups, and MSMEs to develop indigenous and critical technologies. The vision also prioritizes increasing intellectual property generation, ensuring self-sufficiency in technology, and fostering a culture of innovation. Through strategic partnerships and technology transfer agreements, BDL aims to co-develop Niche Technologies with Global OEMs and leverage Government-to-Government agreements for critical advancements.
- 2.7.3 Export Strategy:** BDL's Export Strategy is driven by the goal of establishing the company as a trusted supplier of export-quality weapon Systems. By 2029, BDL aims to achieve 25% of its annual turnover from export business, focusing on Anti-Tank Guided Missiles (ATGMs), Surface-to-Air Missiles (SAMs), Air-to-Air Missiles (AAMs) Underwater Weapons, and Avionics Systems. The vision includes strengthening relationships with Friendly Foreign Nations and Nations facing geopolitical challenges, thereby contributing to global security and enhancing India's diplomatic ties. BDL also seeks to integrate into the global supply chains of leading defence companies and establish long-term partnerships for co-production and joint ventures.
- 2.7.4 Management & Human Resources Strategy:** BDL's Management & Human Resources Strategy emphasizes the importance of organizational excellence and workforce development. The company aims to implement advanced technologies such as AI and ML across all departments, including manufacturing, logistics, and product support, to enhance operational efficiency. BDL is committed to continuously upgrading employee skills, fostering a culture of innovation, and building a high-technology absorption quotient among its workforce. By encouraging intrapreneurship and supporting Start-ups, BDL seeks to create an Ecosystem that drives innovation and excellence. The vision also underscores the importance of sustainability, targeting increased renewable energy usage and adherence to global environmental standards.

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 liquidated 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 31 March 2025 is as under:

Particulars	Non-Executives	Executives	Total
Male	1338	648	1986
Female	172	111	283
Total	1510	759	2269
Previous Year	1621	769	2401

5.2 Industrial Relations

The company places great importance on maintaining positive working relations between management and trade unions, striving to create a congenial environment within the organization. In line with this commitment, the Central Labour Department conducted a Verification of membership of Trade Union through Secret Ballot Elections during the year.

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:

During the year, your company has constructed and implemented 1.34 lakhs (Cap.) artificial recharge structure as part of Jal Sanchay Jan Bhagidari initiative under Jal Shakti Abhiyan 2024. 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

As we look ahead to the financial year 2025-26, Bharat Dynamics Limited (BDL) is well-positioned to build upon its strategic strengths and play a pivotal role in advancing India's defence self-reliance goals under the Viksit Bharat Vision 2047. Our unwavering commitment to innovation, quality, and operational excellence continues to drive our transformation into a modern, agile, and globally competitive defence enterprise.

The Global and National security environment continues to evolve rapidly, driving increased demand for advanced defence systems. In this context, BDL is aligning its strategies to capitalize on emerging opportunities, both within India and across friendly foreign nations. We are proactively engaging with the Indian Armed Forces to support their modernization efforts, while simultaneously expanding our footprint in the global defence export market through targeted collaborations and offset partnerships.

To meet the rising demand and ambitious indigenization goals, BDL is taking decisive steps to enhance production capacities, including modernization of existing facilities, establishing of the new facilities and transitioning to Industry 4.0 standards. This includes the adoption of digital manufacturing technologies, smart automation, and AI-driven analytics, aimed at improving efficiency, reducing cycle times, and ensuring high product reliability.

We are also advancing our R&D ecosystem to develop next-generation missile systems and allied defence technologies. Joint development projects with DRDO and FOEMs remain a cornerstone of our growth strategy. In parallel, we are pursuing technology acquisition and co-development opportunities through cross-investments and strategic partnerships, enabling us to bridge critical capability gaps in high-end technologies.

We are conscious of external risks, including geopolitical volatility, global supply chain disruptions, and currency fluctuations. However, with a robust order book, a healthy pipeline of anticipated Orders, and a strong liquidity position, BDL is equipped to navigate these uncertainties. Continued policy support for defence indigenization, Make-in-India initiatives, and increased budgetary allocations further strengthen the operating environment for BDL.

BDL will continue to focus on organizational capacity building, talent development, and fostering a high-performance culture across the company. With a skilled workforce, solid institutional foundation, and a clear strategic direction, BDL is confident in its ability to deliver value to stakeholders, contribute meaningfully to national defence preparedness, and emerge as a global player in the defence manufacturing sector.

The Government of India has cleared a wide range of BDL products for export. To tap into the global market, the company has established an export cell within its Business Development Division. This cell is tasked with identifying potential markets, exploring export opportunities, and formulating country-specific strategies, including the identification of suitable products for each market. BDL offers these products that are designed and manufactured indigenously at competitive price.

BDL has already made in-roads into the Global Defence Market and intends to increase its presence by having customized solutions specific to the customers. BDL has also emerged as an effective solution provider for life cycle management of these products. BDL intends to synergize with the local defence industry of our customers to build a robust life cycle support provided locally.

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.

Looking forward, the future outlook of your company remains promising with substantial order book, strategic growth initiatives, and emphasis on technological innovation position the company for continued success in the evolving defence landscape.

For and on behalf of the Board



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

**Place : Hyderabad
Date : 27 May 2025**

ANNEXURE - III

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 2025.

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 2025, the Board of Directors of the company consists of four Whole Time Directors including Chairman and Managing Director, two Part-time Official Directors (Government Nominee Directors) and one Part-time Non-Official Director (Independent Director).

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.V. Raja Ram	Director (Production)
3)	Shri D.V Srinivas Rao @	Director (Technical)
5)	Shri G. Gayatri Prasad#	Director (Finance) & CFO
B) Part-Time Official Directors (Non-Executive-Non independent)		
1)	Shri. Anurag Bajpai \$	Government Nominee Director
3)	Shri. Amit Satija, JS (DIP)\$	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

@ Vide Ministry of Defence letter No. DDP-M0001(11)/4/2023-D(BDL) -dated 20 September 2024 Shri D.V Srinivas Rao appointed as Director (Technical) w.e.f 20 September 2024

Vide Ministry of Defence letter No. DDP-M0001(11)/3/2023-D(BDL)-dated 18 December 2024 Shri G. Gayatri Prasad appointed as Director (Finance) w.e.f 19 December 2024

\$ Shri Amit Satija was appointed as Government Nominee Director in place of Shri. Anurag Bajpai vide Ministry of Defence letter No. 8(32)/2019-D (Coord/ DDP) dated 14/08/2024 with effect from 14 August 2024.

* Vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL)-dated 03 January 2022 Ceased to hold their office w.e.f 24 December 2024 on completion of tenure

[^] Vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL)-dated 03 January 2022 Ceased to hold their office w.e.f 27 December 2024 on completion of tenure

[&] Vide Ministry of Defence letter No. DDP-M0001(11)/1/2018-D(BDL)-dated 03 January 2022 Ceased to hold their office w.e.f 28 December 2024 on completion of tenure

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 2024-25, six (6) Board Meetings were held and the maximum interval between any two meetings was complied with in terms of SEBI Regulations and Companies Act. The Board Meetings were held on 30 May 2024, 09 August 2024, 25 October 2024, 14 November 2024, 09 December 2024 and 06 February 2025. Required information is made available to the Board for its information/decision making. Further, video-conferencing facilities were also provided to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings. 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 the FY 2024-25 etc., are furnished as follows:

Name of Directors	Board Meetings		Attendance At last AGM held on 30 September 2024	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	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director & Chairman	-	-
Shri. P.V. Raja Ram Director (Production)	6	6	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	1
Shri D V Srinivas Rao Director (Technical) (Appointed w.e.f 20 September 2024)	4	4	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	1

Name of Directors	Board Meetings		Attendance At last AGM held on 30 September 2024	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
Shri G. Gayatri Prasad Director (Finance) & CFO (Appointed w.e.f 19 December 2024)	1	1	Yes	Nil	Bharat Dynamics Ltd	Executive Director	-	1
Part-Time Official (Government) Directors (Non-Executive-Non independent)								
Shri Anurag Bajpai (Ceased w.e.f 14 August 2024)	2	2	NA	2	Bharat Dynamics Ltd Mazagon Dock Shipbuilders Ltd	Non- Executive Non Independent Director	-	-
Shri Amit Satija (Appointed w.e.f 14 August 2024)	4	4	No	3	Bharat Dynamics Ltd Mishra Dhatu Nigam Ltd	Non- Executive Non Independent Director	-	-
Shri. U. Raja Babu	6	4	No	1	Bharat Dynamics Ltd	Non- Executive Non Independent Director	-	-
Part-time Non-Official Director (Non-Executive-Independent)								
Shri Sunil Chintaman Mone (Ceased w.e.f 24 December 2024)	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	-
Prof. (Dr.) Sanghamitra Mishra (Ceased w.e.f 27 December 2024)	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	-
Shri Rajendra Singh Shekhawat (Ceased w.e.f 28 December 2024)	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	-
Shri Nandakumar Subburaman (Ceased w.e.f 24 December 2024)	5	5	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	-
Dr. Pawan Sthapak (Ceased w.e.f 24 December 2024)	5	4	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	-	-
Shri Jashwant Lal	6	6	Yes	Nil	Bharat Dynamics Ltd	Non-Executive Independent Director	1	-

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. P.V. Raja Ram holds 210 shares and Shri. G. Gayatri Prasad holds 710 shares of face value of ₹ 5 each in the Company. No other Director of the company holds any shares and/or convertible instruments in the company.
- (5) The company has received declarations on criteria of independence as prescribed in Section 149 (6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations from the Independent Directors of the Company as on March 31 2025 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 2024-25. 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 2024-25 are placed in the website of the company and can be accessed at <https://bdl-india.in/sites/default/files/Familiarisation-Progr-Independent-Directors.pdf>

g) Certificate from Company Secretary in Practice

M/s. Mehta & Mehta., 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 2025.

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, four (4) meetings of the Audit Committee were held on 30 May 2024, 09 August 2024, 14 November 2024 and 09 December 2024. The Audit committee was suspended w.e.f 28 December 2024 due to lack of representation of Independent directors on the Board of BDL. The composition of the Committee during the year 2024-25 and the details of attendance of Members for the said meeting(s) are as follows:

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

The Company Secretary acts as the Secretary of the Committee.

* Ceased to be member w.e.f 24 December 2024

§ Ceased to be member w.e.f 27 December 2024

Ceased to be member w.e.f 28 December 2024

Functional Directors (other than CMD) are invited as Permanent Special Invitees and representatives of Statutory Auditor and external Chartered Accountant Firms doing Internal Audit Work will attend the meeting on invitation. The Company Secretary acts as the Secretary of the Audit Committee. All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairperson of the Audit Committee attended the 54th 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;

- iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) 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 Listing Regulations;
- v) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- vii) approval or any subsequently modification of transactions of the Company with related parties;
- viii) scrutiny of inter-corporate loans and investments;
- ix) valuation of undertakings or assets of the Company wherever it is necessary;
- x) reviewing with the management, the performance of the Statutory Auditors and Internal Auditors, adequacy of the internal control systems;
- xi) evaluation of internal financial controls and risk management systems
- xii) recommendation to the Board for appointment and removal of Internal Auditors and determining the scope of Internal Audit in consultation with the internal auditors;
- xiii) 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;
- xiv) discussion with internal auditors and/or auditors of any significant findings and follow up thereon;
- xv) 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;
- xvi) review observations of statutory, internal and government auditors and provide recommendations based on the same;
- xvii) to review the follow up action on the audit observations of the C&AG audit;
- xviii) 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;
- xix) 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);
- xx) to review the functioning of the whistle blower mechanism;
- xxi) to review the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of the Parliament;
- xxii) to review cases of procurement from a single source;
- xxiii) 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 Regulation 19 of the Listing Regulations and DPE Guidelines. The Nomination & Remuneration committee was suspended w.e.f 28 December 2024 due to lack of representation of Independent directors on the Board of BDL.

During the year, two (2) meeting of the Nomination and Remuneration Committee was held on 09 August 2024 and 13 November 2024. The composition of the Committee during the year 2024-25 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	2
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	2
5	Dr. Pawan Sthapak Member [*]	Non-Executive Independent Director	2	2
6	Shri. Jaswant Lal Member	Non-Executive Independent Director	2	2

The Company Secretary acts as the Secretary of the Committee.

^{*} Ceased to be member w.e.f 24 December 2024

^{\$} Ceased to be member w.e.f 27 December 2024

[#] Ceased to be member w.e.f 28 December 2024

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 Listing Regulations 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.

- c. 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.
- d. 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 2024-25 are given below:

Name of the Independent Director	Amount (₹)
Shri. Sunil Chintaman Mone	3,90,000
Shri. Nandakumar Subburaman	3,90,000
Prof. (Dr.) Sanghamitra Mishra	3,90,000
Shri. Rajendra Singh Shekhawat	3,90,000
Dr. Pawan Sthapak	3,00,000
Shri Jashwant Lal	4,20,000

- e. The details of remuneration of Directors and KMP, paid during the year 2024-25 is as follows: - (Amount in ₹)

Name of Director	Designation	Salary	Perquisites	VL Encashment	Company Contribution To PF & Incremental Gratuity /Leave/ Pension-Exe Scheme & PSMB II	Incentive	Total	No. of Shares of the face value ₹ 5 each held in the company as on 31 March 2025 (including on beneficial basis)
Cmde Madhavarao (Retd)	CMD	50,50,083	9,59,879	—	13,71,752	8,50,442	82,32,156	—
Shri. P. V. Raja Ram	Director (Production)	37,54,728	7,13,637	5,38,810	12,60,120	4,95,430	67,62,725	210
Shri D V Srinivas Rao*	Director (Technical)	34,22,191	6,50,424	2,45,965	12,76,094	3,76,391	59,71,065	60
Shri G. Gayatri Prasad®	Director (Finance) and CFO	31,83,753	6,05,023	—	9,14,259	3,48,916	50,51,951	710
Shri. N. Nagaraja	Company Secretary	19,98,774	3,79,905	—	5,92,360	1,79,238	31,50,277	5

* Appointed as Director w.e.f. 20 September 2024

® Appointed as Director w.e.f. 19 December 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 2024-25.
- h. The provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 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 Listing Regulations 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 Regulation 20 of the Listing Regulations and DPE Guidelines.

During the year, one (1) meeting of the Stakeholders Relationship Committee was held on 10 December 2024. The composition of the Committee during the year 2024-25 and the details of attendance of Members for the said meeting is as follows:

S.No	Name of the Member	Category of Directors	No. of Meetings held during their tenure	No. of Meetings Attended
1	Shri. Nandakumar Subburaman Chairperson*	Non-Executive Independent Director	1	1
2	Shri. Jashwant Lal Chairperson@	Non-Executive Independent Director	1	1
3	Shri. Sunil Chintaman Mone Member*	Non-Executive Independent Director	1	1
4	Prof. (Dr.) Sanghamitra Mishra Member#	Non-Executive Independent Director	1	1
5	Shri. Rajendra Singh Shekhawat Member&	Non-Executive Independent Director	1	1
6	Dr. Pawan Sthapak Member*	Non-Executive Independent Director	1	1
7	Shri. P.V Raja Ram Member	Executive Director	-	-
8	Shri D.V Srinivas Rao Member\$	Executive Director	-	-
9	Shri G. Gayatri Prasad Member\$	Executive Director	-	-

The Company Secretary acts as the Secretary of the Committee.

* Ceased to be Member w.e.f 24 December 2024

Ceased to be Member w.e.f 27 December 2024

& Ceased to be Member w.e.f 28 December 2024

@ Appointed as Chairperson w.e.f 27 December 2024

\$ Appointed as Member w.e.f 27 December 2024

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 website <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:	20
No. of complaints resolved during the year:	20
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 30 May 2024, 13 November 2024 and 09 December 2024.

The composition of the Committee during the year 2024-25 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. Jashwant Lal Chairperson [§]	Non-Executive Independent Director	3	3
3	Shri. Sunil Chintaman Mone Member [*]	Non-Executive Independent Director	3	3
4	Prof. (Dr.) Sanghamitra Mishra Member [#]	Non-Executive Independent Director	3	3
5	Shri. Nandakumar Subburaman Member [*]	Non-Executive Independent Director	3	3
6	Dr. Pawan Sthapak Member [*]	Non-Executive Independent Director	3	2
7	Shri. P.V Raja Ram Member	Executive Director	3	3
8	Shri D.V Srinivas Rao Member ^{&}	Executive Director	-	-
9	Shri G. Gayatri Prasad Member ^{&}	Executive Director	-	-

The Company Secretary acts as the Secretary of the Committee.

^{*} Ceased to be Member w.e.f 24 December 2024

[#] Ceased to be Member w.e.f 27 December 2024

[@] Ceased to be Member w.e.f 28 December 2024

[§] Appointed as Chairperson w.e.f 28 December 2024.

[&] Appointed as Member w.e.f 28 December 2024.

Terms of reference:

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

E) RISK MANAGEMENT COMMITTEE:

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

During the year, two (2) meetings of the Risk Management Committee was held on 30 May 2024 and 13 November 2024.

The composition of the Committee during the year 2024-25 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	1
2	Shri. P.V. Raja Ram Chairperson [§]	Executive Director	2	2
3	Shri. Sunil Chintaman Mone Member*	Non-Executive Independent Director	2	2
4	Prof. (Dr.) Sanghamitra Mishra Member [#]	Non-Executive Independent Director	2	2
5	Shri. Rajendra Singh Shekhawat Member [@]	Non-Executive Independent Director	2	2
6	Shri. Nandakumar Subburaman Member*	Non-Executive Independent Director	2	2
7	Shri. Jashwant Lal Member	Non-Executive Independent Director	2	2
8	Shri D.V Srinivas Rao Member ^{&}	Executive Director	-	-
9	Shri G. Gayatri Prasad Member ^{&}	Executive Director	-	-

The Company Secretary acts as the Secretary of the Committee.

* Ceased to be Member w.e.f 24 December 2024

[#] Ceased to be Member w.e.f 27 December 2024

[@] Ceased to be Member w.e.f 28 December 2024

[§] Appointed as Chairperson w.e.f 28 December 2024.

[&] Appointed as Member w.e.f 28 December 2024.

Terms of reference:

- i) 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.
- ii) 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.
- iii) To assist the Board in setting Risk strategies, policies, frameworks, models and procedures.

- iv) 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.
- v) 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.
- vi) 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 four (4) times during the year on 10 April 2024, 27 September 2024, 25 November 2024 and 12 March 2025.

B) SHARE CERTIFICATE COMMITTEE

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

C) INDEPENDENT DIRECTORS MEETING:

In terms of the provisions under the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on 08 December 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
54	2023-24	30 Sep 2024	15:00 Hrs	Registered Office through VC	0
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

- ii) No Extraordinary General Meeting of the Members or any Meeting convened by National Company Law Tribunal (NCLT) was held during the year 2024-25.
- iii) No special resolution was put through postal ballot during the year under review.
- iv) Person who conducted the postal ballot exercise: Not Applicable.
- v) No Special resolution proposed to be conducted through postal ballot.
- vi) Procedure for Postal Ballot: Not Applicable

6) MEANS OF COMMUNICATION:

The company's communication system with its Shareholders, Directors and other stakeholders is through all means of communication channels including correspondence and the official website (<https://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-meet-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/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 55th Annual General Meeting for the year 2024-25 is scheduled on Friday, 26 September 2025 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 2025-26 is given as below:

For the quarter ending 30.06.2025	On or before 14.08.2025
For the quarter ending 30.09.2025	On or before 14.11.2025
For the quarter ending 31.12.2025	On or before 14.02.2026
For the year ending 31.03.2026	On or before 30.05.2026
56 th Annual General Meeting	On or before 30.09.2026

- (c) The Register of Members and Share Transfer Books shall remain closed from Saturday, 20 September 2025 to Friday, 26 September 2025 (both days inclusive).
- (d) Dividend will be paid within 30 days from the date of declaration.
- (e) Company's equity shares are listed on the following stock exchanges:

The BSE Ltd ('BSE') P.J. Towers, 26th Floor, Dalal Street, Mumbai - 400001	National Stock Exchange of India Ltd ('NSE') Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai - 400051
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The company has paid listing fees for the financial years 2024-25 and 2025-26 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 has paid annual custody fees for the financial year 2025-26 to both the Depositories, viz, NSDL and CDSL.

(h) Market Price Data

The Market capitalization of the company as on 31 March 2025 is ₹ 46947.49 Crore (as per BSE closing price). 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 the FY 2024-2025 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, 2024	74482.78	33142.57	2097.70	1684.30	1978.45	91041	24515.27
May, 2024	73961.31	33344.28	2958.15	1405.65	1557.25	271003	73499.11
June, 2024	79032.73	35633.91	1660.00	1293.35	1596.40	276811	65708.22
July, 2024	81741.34	37172.81	1794.70	1350.00	1459.70	290825	67895.50
August, 2024	82365.77	37459.06	1467.40	1160.05	1303.20	168299	31533.38
September, 2024	84299.78	38227.64	1366.75	1096.65	1158.90	112855	17777.97
October, 2024	79389.06	35738.11	1230.00	1000.00	1083.95	102712	15251.85
November, 2024	79802.79	35726.11	1177.90	897.15	1149.15	107016	16533.84
December, 2024	78139.01	35189.03	1297.75	1084.05	1122.85	87627	18430.54
January, 2025	77500.57	33962.66	1345.55	1091.10	1305.70	102060	21456.48
February, 2025	73198.10	31296.85	1344.15	966.55	974.80	102643	22026.17
March, 2025	77414.92	33579.22	1376.50	908.90	1280.75	100070	25027.32

2) BDL Share Price on NSE vis-a-vis NSE Nifty & Nifty Infra during the FY 2024-2025 is as follows:

Month	NSE Nifty Close	Nifty Infra Close	BDL Share Price			No. of Shares traded	Turnover (₹ in lakh)
			High ₹	Low ₹	Close ₹		
April, 2024	22604.85	8575.25	2097.95	1685.00	1977.55	1168147	501695.14
May, 2024	22530.70	8668.00	2958.00	1411.00	1557.35	2603598	1264588.30
June, 2024	24010.60	9133.95	1662.95	1293.20	1596.60	2137147	1125397.74
July, 2024	24951.15	9499.45	1794.70	1350.00	1460.10	2385678	1103355.58
August, 2024	25235.90	9425.75	1467.45	1222.35	1302.90	1340689	333295.80
September, 2024	25810.85	9574.80	1366.00	1096.00	1160.00	1178383	231596.02
October, 2024	24205.35	8823.40	1230.00	1000.00	1085.30	1112920	172020.39
November, 2024	24131.10	8734.30	1174.95	890.00	1150.00	1054340	154780.60
December, 2024	23644.80	8463.50	1297.80	1083.90	1122.85	942295	203516.71
January, 2025	23508.40	8348.50	1345.80	1091.90	1305.00	1446549	302507.15
February, 2025	22124.70	7665.55	1345.00	966.15	975.40	1427510	291029.69
March, 2025	23519.35	8457.80	1375.10	907.00	1281.40	1558482	406639.86

(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: rt@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 dematerialised form. Members can contact the company or RTA, for assistance in this regard.

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

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

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

(k) Shareholding Pattern as on 31 March 2025

S. No.	Category	No. of Shareholders	No. of Shares	% Holding
1	President of India	1	274651054	74.93
2	Mutual Fund/UTI	26	18264723	4.98
3	Insurance Companies	15	15134659	4.13
4	Foreign Portfolio Investors	114	11943998	3.26
5	Bodies Corporate	1293	1743610	0.48
6	Individuals	550079	39730450	10.84
7	Trusts	22	133071	0.04
8	NRIs	8676	2207825	0.60
9	Clearing Members	48	126833	0.03
10	Employees	121	25575	0.01
11	HUF	7041	1186401	0.32

S. No.	Category	No. of Shareholders	No. of Shares	% Holding
12	Alternate Investment Funds	16	1218641	0.33
13	NBFCs registered with RBI	6	10233	-
14	Banks	1	3800	-
15	Qualified Institutional Buyer	1	40500	0.01
16	LLP	129	141014	0.04
17	Foreign Nationals	2	113	-
Total		567591	366562500	100

(l) **Top 10 Shareholders as on 31 March 2025**

S.No.	Name/Address	No. of Shares	% to the Capital
1	President of India	274651054	74.9261
2	Life Insurance Corporation of India	10242359	2.7942
3	HDFC Trustee Company Ltd A/C HDFC Balanced Advantage Fund	3890000	1.0612
4	Motilal Oswal Large and Midcap Fund	2347725	0.6405
5	SBI Life Insurance Co. Ltd	1535786	0.419
6	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	1526498	0.4164
7	Vanguard Total International Stock Index Fund	1302464	0.3553
8	Motilal Oswal Nifty India Defence Index Fund	1285477	0.3507
9	The New India Assurance Company Limited	1233469	0.3365
10	Vanguard Emerging Markets Stock Index Fund	1153994	0.3148

(m) **Distribution of shareholding as on 31 March 2025**

Category	Total				Physical		Demat	
	No. of shareholders	%	Shares	%	No. of shareholders	Shares	No. of shareholders	Shares
1 - 500	556422	98.03	27501668	7.50	0	0	556422	27501668
501-1000	7308	1.29	5257593	1.43	0	0	7308	5257593
1001-2000	2369	0.42	3434568	0.94	0	0	2369	3434568
2001-3000	589	0.10	1466373	0.40	0	0	589	1466373
3001-4000	260	0.05	922477	0.25	0	0	260	922477
4001-5000	165	0.03	758816	0.21	0	0	165	758816
5001-10000	215	0.04	1528242	0.42	0	0	215	1528242
10001 & above	263	0.05	325692763	88.85	0	0	263	325692763
Total	567591	100.00	366562500	100.00	0	0	567591	366562500

(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 2025, the number of equity shares in electronic form and physical form is as follows:

Sl.No	Particulars	No. of Shares	%
1	NSDL	341182119	93.08
2	CDSL	25380381	6.92
3	Physical	-	-
Total		36,65,62,500	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 2024-25 is as follows:

Particulars	BSE	NSE	Total
No. of Shares traded	28051282	410885836	438937118
Value (₹in lakh)	3996555.66	60904422.98	64900978.64

(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,
Patancheru Mandal,
Sanga Reddy District
Hyderabad-502305
Phone: (040)-23469551; Fax : (040)-23469552

Bharat Dynamics Limited, Vizag
"G"- Block, APIIC-IALA
VSEZ post, Vishakapatnam-530049
Phone : (0891)- 2821500
Fax : (0891)- 2821502

(r) Address for Correspondence/Corporate Office

Bharat Dynamics Limited
CIN: L24292TG1970GOI001353
Corporate Office, Plot No.38-39, TSFC Building,
Financial District, Gachibowli, Hyderabad-500 032
Telephone: (040) 23456145; Fax: (040) 23456110
E-mail : investors@bdl-india.in
Website : <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 two Joint Ventures, namely Electronic Warfare (Defence) Testing Foundation and Advanced Materials (Defence) Testing Foundation, which have been incorporated as Section 8 companies under the Companies Act, 2013.
- During the year 2024-25, 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/PolicyonRelatedPartyTransactions_1.pdf.

- d) During the year, the company has received communications from Stock Exchanges (i.e. NSE and BSE) regarding non-compliance with Regulation 17(1), Regulation 18(1) and Regulation 19 of Listing Regulations from 24 December 2024 to 31 March 2025 for not having requisite number of Independent Directors on the Board of the company and non-constitution of Audit Committee and Nomination & Remuneration Committee. The company informed the Stock Exchanges that BDL being a Government Company under the administrative control of Ministry of Defence, the power to appoint Directors (including Independent Directors) and the terms and conditions of their appointment vest with the Government of India.

Further, the company has complied with all Listing Regulations and there are no instances of non-compliances except as stated above.

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/WBP.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 2024-25, 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	2024-25	2023-24
1	Total Expenditure (other than Materials)	1268.80	560.28
2	Administrative & Office Expenses	20.52	14.93
3	Percentage of (2) on (1)	1.62%	2.66%

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	2024-25	2023-24
Audit Fees	15.50	12.50
Tax Audit Fees	2.25	1.25
Other Services	7.00	3.50
Reimbursement of Expenses	0.02	0.28
Total	24.77	17.53

- 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, 2025. The details of the Unclaimed Dividends as on 31 March 2025 is as below:

Particulars	No. of shareholders	Amount (in ₹)	Due date for Transfer to IEPF A/c
Final Dividend 2017-18	911	3,24,849.69	02/11/2025
Interim Dividend 2018-19	842	2,18,242.50	23/04/2026
Final Dividend 2018-19	833	75,220.14	02/11/2026
Interim Dividend 2019-20	1312	4,12,137.50	19/03/2027
Final Dividend 2019-20	947	1,23,356.70	03/11/2027
Interim Dividend 2020-21	876	2,82,995.30	17/04/2028
Final Dividend 2020-21	899	30,108.65	02/11/2028
Interim Dividend 2021-22	726	2,43,757.80	22/03/2029
Final Dividend 2021-22	720	38,335.00	01/11/2029
Interim Dividend 2022-23	632	2,89,750.55	16/03/2030
Final Dividend 2022-23	705	45,170.00	04/11/2030
Interim Dividend 2023-24	931	3,29,430.50	27/04/2031
Final Dividend 2023-24	1600	99,126.83	06/11/2031
Total	11934	2512481.16	

- 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, 2025.
- p) The company has not raised any funds through preferential allotment or qualified institutions placement as specified in the Regulations 32(7A) of the Listing Regulations.
- q) Loans and advances in the nature of loans to firms/Companies in which Directors are interested – Nil.
- r) No subsidiaries including material subsidiaries were incorporated during the year under review.

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

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

10) DETAILS OF NON-COMPLIANCES

During the FY 2024-25, the company has received communications from both Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) regarding non-compliance with Regulation 17(1), Regulation 18(1) and Regulation 19 of Listing Regulations and cumulative penalty of ₹ 10,23,060/- each has been imposed by them for the quarter ended 31 December 2024 and 31 March 2025 for not having requisite number of Independent Directors on the Board of the Company and non-constitution of Audit Committee and Nomination & Remuneration Committee. As BDL is a Central Public Sector Enterprise (CPSE) the appointment/nomination of all the Directors including Independent Directors are being done by Government of India. Accordingly, the company has requested BSE and NSE for waiver of the penalties imposed.

The Company was fully compliant with the mandatory requirements of Listing Regulations and the Companies Act, 2013 during the FY 2024-25 except as stated above.

11) COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status on the compliance with the non-mandatory recommendation in the Listing Regulations 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/InsiderTradingPolicyAmended_0.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 Regulation 46(2) 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 Listing Regulations the Compliance Certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2024-2025 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 Listing Regulations 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 2024-25. 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 2025.

For and on behalf of the Board



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

Place : Hyderabad
Date : 27 May 2025



COMPANY SECRETARIES

201-206, SHIV SMRITI, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, ABOVE CORPORATION BANK, WORLI, MUMBAI - 400 018
TEL : +91-22-6611 9696 • E-mail: dipti@mehta-mehta.com • Visit us : www.mehta-mehta.com
AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

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,
BHARAT DYNAMICS LIMITED
Kanchanbagh,
Hyderabad, Telangana, India, 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, India, 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 / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1	JASHWANT LAL	10055098	24/02/2023
2	CHETAN BANSILAL KANKARIYA	09402860	22/04/2025
3	MADHAVARAO ATMAKURI	09808949	02/01/2023
4	VENKATA SRINIVAS RAO DEVULAPALLY	10652125	20/09/2024
5	GAYATRI PRASAD GATTUPALLI	10877803	19/12/2024
6	RAJA RAM VENKATA RAMANA PRABHALA	10271259	30/08/2023
7	AMIT SATIJA	08989543	14/08/2024



8	RAJABABU UMMALANENI	10212986	21/07/2023
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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.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)


Alifya Sapatwala
Partner



ACS No: 24091
CP No: 24895
Place: Mumbai
Date: 26-05-2025
UDIN: A024091G000437020
PR No.: 3686/2023



COMPANY SECRETARIES

201-206, SHIV SMRITI, 2ND FLOOR, 49/A, DR. ANNIE BESANT ROAD, ABOVE CORPORATION BANK, WORLI, MUMBAI - 400 018
 TEL : +91-22-6611 9595 • E-mail: dpt@mehta-mehta.com • Visit us : www.mehta-mehta.com

AUTHORISED AGENTS FOR TRADEMARK, COPYRIGHT AND PATENT

CERTIFICATE ON CORPORATE GOVERNANCE

To,
 The Members,
Bharat Dynamics Limited
 Kanchanbagh
 Hyderabad, Telangana- 500058

We have examined the compliance of conditions of Corporate Governance by **Bharat Dynamics Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2025 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

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

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations **except for the below mentioned observation:**

1. **Regulation 17(1)(a) of SEBI Listing Regulations and Clause 3.1.2 of DPE Guidelines, regarding requirement of having atleast 50% of the Board of Directors as Non-executive Directors during the period 25.12.2024 till 31.03.2025.**
2. **Regulation 17(1)(b) of SEBI Listing Regulations, Section 149 of the Act and Clause 3.1.4 of of DPE Guidelines, regarding requirement of having atleast half of the Board of Directors as Independent Directors during the period 25.12.2024 till 31.03.2025.**
3. **Regulation 17 (1)(a) of SEBI Listing Regulations regarding having an Independent Woman Director on the Board of the Company and Section 149(1) of the Act read with Rule 3 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 regarding requirement of appointing a Woman Director on the Board of the Company during the period 27.12.2024 till 31.03.2025.**



- 4. Regulation 18 of SEBI Listing Regulations, Section 177 of the Act and Clause 4.1.1 and 4.1.2 of DPE Guidelines regarding requirement of the Audit Committee was not complied as the vacancy of the office of Independent Directors has not been filled during the period 28.12.2024 to 31.03.2025.**
- 5. Regulation 19 of SEBI Listing Regulations, Section 178 of the Act and Clause 5.1 of DPE Guidelines regarding requirement of the Nomination & remuneration Committee was not complied as the vacancy of the office of Independent Directors has not been filled during the period 28.12.2024 to 31.03.2025.**

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)


Alifya Sapatwala
Partner
ACS No: 24091
CP No.: 24895
PR No.: 3686/2023



Place: Mumbai
Date: 26-05-2025

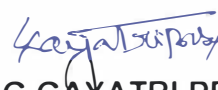
UDIN: A024091G000437042

COMPLIANCE CERTIFICATE

- A. We have reviewed the Financial statements and the Cash flow statement for the period ended 31 March 2025 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 we 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
DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER



C.V. REDDY K
BBM, LL.M, FCS.

C.V. REDDY K & ASSOCIATES
COMPANY SECRETARIES

Form No.MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31.03.2025

*[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
Kanchanbagh,
Hyderabad - 500058, Telangana

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 my 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, 2025** 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, 2025 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;



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- (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 as amended from time to time;
 - (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 BSE (Bombay Stock Exchange) & NSE (National Stock Exchange) read with the Securities 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 above provisions of the Act, Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

S No.	Compliance requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary, if any
1.	Reg 17 (1)(a), SEBI (LODR) 2015, Clause 3.1.2 of DPE Guidelines and Section 149(1) of the Act: Non-compliance with the requirements pertaining to the composition of the Board, half of the Board as Non-executive Directors	The Company did not comply with the requirement of having half of the Board of directors as Non-executive Directors from 25 th December, 2024 to 31 st March, 2025 and did not comply with the requirement of having at least one Independent women Director on the Board from 27 th December, 2024 to 31 st March, 2025	*The Company has complied with the said provisions during the majority period of financial year 2024-25, however, the Company did not comply with the requirements under Reg 17 (1)(a), SEBI (LODR) 2015, Clause 3.1.2 of DPE Guidelines and Section 149(1) of the Act as on 31 st March, 2025. The Company did not comply with the requirement of having half of the Board of directors as Non-executive Directors from 25 th December, 2024 to 31 st March, 2025 and failed to



			comply with the requirement of having at least one Independent women Director on the Board from 27 th December, 2024 to 31 st March, 2025
2.	Reg 17 (1)(b), SEBI (LODR) 2015, Clause 3.1.4 of DPE Guidelines and Section 149 of the Act: Non-compliance with the requirements pertaining to the composition of the Board, half of the Board is not Independent	The Company did not comply with the requirement of having half of the Board of directors comprising of independent directors from 25 th December, 2024 to 31 st March, 2025	*The Company has complied with the said provisions during the majority period of the financial year 2024-25, however, the Company did not comply with the requirements under Reg 17 (1)(b), SEBI (LODR) 2015, Clause 3.1.4 of DPE Guidelines and Section 149 as on 31 st March, 2025. The Company did not comply with the requirement of having half of the Board of directors comprising of independent directors from 25 th December, 2024 to 31 st March, 2025
3.	Reg 18, SEBI (LODR) 2015, Clauses 4.1.1 and 4.1.2 of DPE Guidelines and Section 177 of the Act: Requirement for constitution of the Audit Committee	The Company did not comply with requirement pertaining to constitution of Audit Committee w.e.f 28 th December to 31 st March 2025.	*The Company has complied with the said provisions during the majority period of the financial year 2024-25. The Company do not have adequate number of Independent Directors on the Board w.e.f 28 December 2024 to 31 March 2025 due to which Audit Committee has been suspended.
4.	Reg 19, SEBI (LODR) 2015, Clause 5.1 of DPE Guidelines and Section 178 of the Act: Requirement for	The Company did not comply with requirement pertaining to constitution of NRC w.e.f 28 th December to 31 st March 2025.	*The Company has complied with the said provisions during the majority period of the financial year 2024-25. The Company do not have



constitution of the Nomination & remuneration Committee (NRC)		adequate number of Independent Directors on the Board w.e.f 28 December 2024 to 31 March 2025 due to which NRC has been suspended.
--	--	---

***Note:** It is hereby observed that the Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation etc, vests with the Government of India (GoI). Further it is submitted that the appointment of Independent Directors on the Board of the Company is in the process at Department of Public Enterprise and the Company is following up the matter rigorously with the Administrative Ministry (i.e. Ministry of Defence) for filling up the vacancies of Independent Directors.

- 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 C V Reddy K & Associates
 Company Secretaries

 C V Reddy K

Company Secretary in Practice
 M No: F7976
 CP No: 8998

COP Unique Code: I2010AP725500

UDIN: F007976G000433236

Peer Review Certificate No: 6517/2025

Place: Hyderabad

Date: 24.05.2025

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
Kanchanbagh,
Hyderabad - 500058, Telangana

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The compliance of the provisions of various Environmental Laws, Labour Laws and other applicable laws, rules, regulations, standards is the responsibility of management and the Management has confirmed the compliance of all the provisions of enactments referred herein above.



7. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For C V Reddy K & Associates
Company Secretaries



C V Reddy K
Company Secretary in Practice

M No: F7976

CP No: 8998

COP Unique Code: I2010AP725500

UDIN: F007976G000433236

Peer Review Certificate No: 6517/2025

Place: Hyderabad

Date: 24.05.2025

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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 2025, 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, 2025 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(7) which describes inventory not moved for more than five years amounting to ₹ 8331.44 lakhs (₹ 8338.85 lakhs as of 31 March 2024) for which no provision for

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redundancy were made as is required by the company's accounting policy for the reasons stated there at;

- b) note 28 which describes the recognition of a provision for onerous contracts amounting to ₹13,461.18 Lakh during the quarter ended 31 December 2024, and an additional provision of ₹ 678.96 Lakh during the quarter ended 31 March 2025, in accordance with Ind AS 37 – Provisions, Contingent Liabilities, and Contingent Assets

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 2025. 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.

Sl.no.	Key audit matters	How our audit addressed the Key Audit Matters
(a)	Provision and contingent liabilities relating to ongoing litigations	
	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. Management's disclosures with regards to provisions and contingent liabilities relating to ongoing litigation are presented in Note No. 38(6) of the Standalone Financial Statements. The assessment of whether a liability is recognized as a provision or disclosed as a contingent liability in the Standalone Financial Statements is	Our audit procedures included, but were not limited to the following; - 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 Company's legal and finance personnel. - 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

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	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. 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.	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.
(b)	Provision For Warranty	
	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 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	Our audit procedures included the following; - Evaluated management's assumption and judgement relating to estimation of warranty provision considering business environment in which the Company operates. - Obtained an understanding of the Contract terms to evaluate the adequacy of the provision estimated by the management.

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supply. 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. 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.	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.

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

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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 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.

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- 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 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.

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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 2025 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.
 - (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

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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.
- 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.

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(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 2025 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

P. K. Sri Harsha

(CA. Paluri Kali Sri Harsha)
Partner

M. No. 252420

UDIN: 25252420BMIZID1772



Place: Hyderabad
Date: 27 May 2025

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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 2025

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 (₹ 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 Ibrahimpatnam (632 Acres 16.50 Guntas)	7,965.16	TSIC	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 stated below:

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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 ₹ 15.00 Cr by Union Bank of India against Fixed Deposits and Non-Fund based working capital limit of ₹ 400 Cr by Union Bank of India and ₹ 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 amended). Thereby the requirement for reporting under clause 3(v) of the Order is not applicable to the Company.

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- (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:

(₹ 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
5	Excise Duty Act	Interest	5,306.33		2015-16 TO 2017-18	Appeal pending with CESTAT, Hyderabad
6	Finance Act, 1994	Service Tax	1,840.89	128.43	2015-16 TO 2017-18	Appeal pending with CESTAT, Hyderabad
7	Income Tax Act, 1961	Income Tax	732.80	732.80	AY 2021-22	Filed Rectification Request with National Faceless Assessment Centre & Jurisdictional Assessing Officer
8	Goods and Service Tax Act	Goods and Service Tax	8.76	0.79	AY 2020-21	Appeal filed with GST Appellate Authority, Hyderabad
	TOTAL		29198.81	1555.87		

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- Sl. No. 1 & 6, Includes Central Sales tax of ₹ 693.85 lakh and service tax of ₹ 128.43 lakh pre-deposited for filing of appeal
- Sl. No. 7, Includes amount recovered from refunds of other assessment years.
- Sl. No. 8, Includes Goods and Service Tax of ₹ 0.79 lakh pre-deposited for filing of appeal

- (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 included in the consolidated financial Statements. 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 included in the consolidated financial Statements. 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 covered by our audit.

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- (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)(G) 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, however, state that this is not an assurance as to the future viability of the

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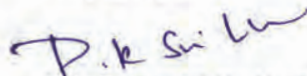
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company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will 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 included in the consolidated financial Statements. Thereby the requirement for reporting under clause 3(xxi) of the Order is not applicable to the Company.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E



(CA. Paluri Kali Sri Harsha)
Partner
M. No. 252420
UDIN: 25252420BMIZID1772

Place: Hyderabad
Date: 27 May 2025

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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 2025 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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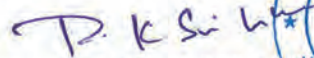


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controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Tej Raj & Pal
Chartered Accountants
FRN 304124E



(CA. Paluri Kali Sri Harsha)
Partner
M. No. 252420
UDIN: 25252420BMIZID1772



Place: Hyderabad
Date: 27 May 2025

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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 2024-25 no funds have been received / receivable for specific schemes from Central / State agencies. However i.r.o those received in the earlier years

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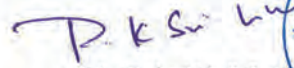
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TEJ RAJ & PAL
Chartered Accountants

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

For Tej Raj & Pal
Chartered Accountants
FRN 304124E



(CA. Paluri Kali Sri Harsha)
Partner
M. No. 252420
UDIN: 25252420BMIZID1772



Place: Hyderabad
Date: 27 May 2025

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Email: tejrajpal@yahoo.co.in
Website: www.tejrajpal.in



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

To

Cmde A Madhavarao (Retd).-
Chairman and Managing Director,
Bharat Dynamics Limited,
Corporate Office, Kanchanbagh,
Hyderabad, Telangana – 500 058.

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 2025.

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 2025.

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 (Admn)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT

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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 2025**

The preparation of Financial Statements of **Bharat Dynamics Limited, Hyderabad** for the year ended 31 March 2025 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 27 May 2025.

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 2025 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)

Principal Director of Audit (Defence - Commercial)

Place: Bengaluru

Date: 25 July 2025



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सं./No.

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

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

दिनांक / DATE. 25 जुलाई 2025

सेवा में,
कमोडोर ए माधवराव (सेवानिवृत्त),
अध्यक्ष & प्रबंध निदेशक,
भारत डायनामिक्स लिमिटेड,
कॉर्पोरेट ऑफिस, कंचनबाग,
हैदराबाद, तेलंगाना- 500058.

महोदय,

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

मैं 31 मार्च 2025 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 महा लेखापरीक्षक का "शून्य
टिप्पणी प्रमाण पत्र" अंग्रेषित करता हूँ।

कृपया सुनिश्चित करें कि टिप्पणिया

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

भवदीय,


(ऋतुराज सिंह)

उप निदेशक (प्रशासन)

संलग्न: यथोपदि

भारतीय लेखापरीक्षा एवं लेखा विभाग

INDIAN AUDIT & ACCOUNTS DEPARTMENT

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Email : pda.dc.blr@cag.gov.in

फैक्स / Fax : 080-2226 2491

Bharat Dynamics Limited

Ind AS Financial Statements - 31 March 2025

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; and
- (f) Comparative information in respect of the preceding period;

Reporting Entity:

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

Registered Office :

Kanchanbagh, Hyderabad - 500058

Corporate Office :

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

Balance Sheet as at 31st March 2025

(₹ in Lakh)

PARTICULARS	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	66,737.24	67,235.50
(b) Capital Work-in-Progress	2	11,714.82	7,287.48
(c) Investment Property	3	0.97	0.97
(d) Right of use assets	4	5,093.45	5,289.74
(e) Other Intangible Assets	5	13,877.18	9,835.99
(f) Intangible assets under development	5A	11,317.25	-
(g) Financial Assets			
(i) Investments	6	390.60	-
(ii) Loans	7	125.77	170.22
(iii) Other Financial Assets	8	10,571.12	10,828.81
(h) Deferred Tax Assets (net)	29A	12,273.39	7,072.81
(i) Other Non-current Assets	9	4,354.80	2,382.50
Total Non - Current Assets		1,36,456.59	1,10,104.02
(2) Current Assets			
(a) Inventories	10	2,64,510.90	1,98,247.31
(b) Financial Assets			
(i) Trade Receivables	11	82,635.63	31,044.72
(ii) Cash and Cash Equivalents	12	13,385.68	59,384.20
(iii) Bank balances other than (ii) above	13	4,05,651.00	3,63,464.00
(iv) Loans	14	441.54	199.85
(v) Other Financial Assets	15	96,499.30	1,06,163.02
(c) Current tax Assets (net)	29B	-	4,670.80
(d) Other Current Assets	16	1,74,667.79	1,60,727.15
Total Current Assets		10,37,791.84	9,23,901.05
Total Assets		11,74,248.43	10,34,005.07
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	18,328.12	18,328.12
(b) Other Equity	18	3,82,566.96	3,45,354.21
Total Equity		4,00,895.08	3,63,682.33
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	31.52	211.50
(ii) Other Financial Liabilities	20	4,498.04	4,639.66
(b) Provisions	21	43.39	40.07
(c) Other Non-current Liabilities	22	3,32,763.48	3,64,855.77
Total Non-current Liabilities		3,37,336.43	3,69,747.00
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	-	-
(ii) Lease Liabilities	24	179.98	162.61
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	25	3,221.64	1,207.05
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	25	1,47,334.41	78,631.66
(iv) Other Financial Liabilities	26	36,574.11	29,040.03
(b) Other Current Liabilities	27	1,97,806.72	1,51,542.21
(c) Provisions	28	50,763.90	39,992.18
(d) Current tax Liabilities (net)	29B	136.16	-
Total Current Liabilities		4,36,016.92	3,00,575.74
Total Liabilities		7,73,353.35	6,70,322.74
Total Equity and Liabilities		11,74,248.43	10,34,005.07

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 Paluri Kali Sri Harsha
Partner
(M.No. 252420)

For and on behalf of the Board


G Gayatri Prasad
Director (Finance) & CFO
DIN: 10877803

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

N Nagaraja
Company Secretary
(M.No.A19015)Place: Hyderabad
Date: 27 May 2025

Statement of Profit and Loss for the Year ended 31st March 2025

(₹ in Lakh)

PARTICULARS	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
I Revenue from Operations	30	3,34,505.16	2,36,927.51
II Other Income	31	35,040.17	36,182.93
III Total Income (I + II)		3,69,545.33	2,73,110.44
IV EXPENSES			
Cost of materials consumed	32	2,09,975.80	1,11,995.92
Changes in inventories of finished goods and work-in-progress	33	(42,186.42)	(22,263.15)
Employee benefits expense	34	54,879.89	60,000.76
Finance costs	35	330.91	310.52
Depreciation and amortisation expense	36	7,069.61	6,703.92
Other expenses	37	64,599.28	33,538.95
Total expenses (IV)		2,94,669.07	1,90,286.92
V Profit/ (Loss) before exceptional items and tax (III-IV)		74,876.26	82,823.52
VI Exceptional Items		-	-
VII Profit before tax (V + VI)		74,876.26	82,823.52
VIII Tax expense			
(1) Current tax	29C	25,121.23	22,874.72
(2) Deferred tax	29C	(5,209.49)	(1,323.26)
Total Tax expense		19,911.74	21,551.46
IX Profit/ (Loss) for the year (VII - VIII)		54,964.52	61,272.06
X Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of the defined benefit plans	38(3)	35.42	(427.26)
(b) Income tax relating to items that will not be reclassified to profit or loss	29C	(8.91)	107.53
Total other comprehensive income		26.51	(319.73)
XI Total comprehensive income for the year (IX + X)		54,991.03	60,952.33
XII Earnings per equity share			
Basic and diluted EPS (in Rupees)	38(2)	14.99	16.72

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 Paluri Kali Sri Harsha
Partner
(M.No. 252420)

For and on behalf of the Board



G Gayatri Prasad
Director (Finance) & CFO
DIN: 10877803



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



N Nagaraja
Company Secretary
(M.No.A19015)

Place: Hyderabad
Date: 27 May 2025

Statement of changes in equity for the year ended March 31, 2025

A. Equity Share Capital

(₹ in Lakh)

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
18328.12	-	18328.12	-	18328.12

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

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, 2024	3,43,135.54	8,431.25	(6,212.58)	3,45,354.21
Changes in Accounting Policy	-	-	-	-
Restated balance as at April 1, 2024	3,43,135.54	8,431.25	(6,212.58)	3,45,354.21
Profit for the year	-	54,964.52	-	54,964.52
Other comprehensive income for the year (net of tax)	-	-	26.51	26.51
Final dividend	-	(3,115.78)	-	(3,115.78)
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	-	(14,662.50)	-	(14,662.50)
Balance as at March 31, 2025	3,83,135.54	5,617.49	(6,186.07)	3,82,566.96

Particulars	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Other Comprehensive Income - Remeasurement of the defined benefit plans	
Balance as at April 1, 2023	3,03,135.54	5,578.96	(5,892.85)	3,02,821.65
Changes in Accounting Policy	-	-	-	-
Restated balance as at April 1, 2023	3,03,135.54	5,578.96	(5,892.85)	3,02,821.65
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	3,43,135.54	8,431.25	(6,212.58)	3,45,354.21

As per our report of even date,

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


CA Paluri Kali Sri Harsha
Partner
(M.No. 252420)

For and on behalf of the Board


G Gayatri Prasad
Director (Finance) & CFO
DIN: 10877803


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


N Nagaraja
Company Secretary
(M.No.A19015)

Place: Hyderabad
Date: 27 May 2025

Cash flow statement for the year ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	74,876.26	82,823.52
Adjustments for :		
Depreciation and amortisation expense	7,069.61	6,703.92
Finance costs	330.91	310.52
Interest income	(29,989.97)	(31,906.37)
Profit on Sale of Property Plant and Equipment	1.55	6.24
Deferred revenue on customer provided Assets	-	(828.89)
Provisions for expenses	23,596.27	2,537.08
Liabilities / provisions no longer required written back	(1,697.58)	(10.58)
Fair value adjustment to investment carried at fair value through profit and loss	(120.26)	(125.44)
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
Operating profit before working capital changes	74,066.79	59,510.00
Changes in working capital:		
Adjustments for (increase) / decrease in operating Assets:		
Trade receivables	(51,590.91)	(12,587.45)
Loans	(197.24)	5.95
Other Financial Assets	9,629.63	39,089.46
Inventories	(64,762.80)	(16,315.65)
Other Assets	(13,940.64)	(1,31,863.08)
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	70,717.34	33,400.88
Other Financial Liabilities	7,440.61	12,371.22
Other Liabilities	14,435.44	74,888.28
Provisions	(8,745.03)	(1,731.10)
Cash generated from operations	37,053.19	56,768.51
Net income tax paid	(20,314.27)	(15,596.65)
Net cash flow before exceptional items	16,738.92	41,171.86
Exceptional items	-	-
Net cash from/ (used) in operating activities (A)	16,738.92	41,171.86
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment and Intangible Assets	(28,274.14)	(8,088.97)
Bank Deposits	(42,187.00)	(82,866.00)
Proceeds from sale of Property Plant & Equipment and Intangible Assets	0.43	17.47
Investment in Associates	(390.60)	-
Interest received	30,138.79	18,697.02
Net cash from/ (used) in investing activities (B)	(40,712.52)	(72,240.48)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Finance costs	(191.89)	(171.50)
Repayment of lease liabilities	(162.61)	(146.64)
Dividends paid	(21,670.42)	(14,517.41)
Net cash from/ (used) in financing activities (C)	(22,024.92)	(14,835.55)
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(45,998.52)	(45,904.17)
Cash and Cash equivalents at the beginning of the year	59,384.20	1,05,288.37
Cash and Cash equivalents at the end of the year	13,385.68	59,384.20
(Refer Note (i) below)		
Note (i):		
Cash and Cash equivalents Comprises:		
in current accounts	2,182.75	38,110.17
in deposit accounts	11,194.71	21,269.18
Cash on hand	8.22	4.85
Bank overdraft	-	-
	13,385.68	59,384.20

As per our report of even date,

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


CA Paluri Kali Sri Harsha
Partner
(M.No. 252420)

For and on behalf of the Board


G Gayatri Prasad
Director (Finance) & CFO
DIN: 10877803


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


N Nagaraja
Company Secretary
(M.No.A19015)

Place: Hyderabad
Date: 27 May 2025

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:

- It is technically feasible to complete the software so that it will be available for use
 - Management intends to complete the software and use or sell it
 - There is an ability to use or sell the software
 - It can be demonstrated how the software will generate probable future economic benefits
 - Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
 - 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.

As per our report of even date,

For Tej Raj & Pal

Chartered Accountants

Firm's Registration No. 304124E



CA Paluri Kali Sri Harsha

Partner

(M.No. 252420)

For and on behalf of the Board



G Gayatri Prasad

Director (Finance) & CFO

DIN: 10877803



Cmde A Madhavarao (Retd.)

Chairman and Managing Director

DIN: 09808949



N Nagaraja

Company Secretary

(M.No.A19015)

Place: Hyderabad

Date: 27 May 2025

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, 2024	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2025	Accumulated depreciation/ amortisation as at April 1, 2024	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2025	As at March 31, 2025
Freehold Land	8,800.66	-	-	8,800.66	-	-	-	-	-	8,800.66
Buildings	33,799.21	1,093.33	-	34,892.54	8,741.69	1,127.68	-	-	9,869.37	25,023.17
Fencing and Compound Walls	1,416.75	14.11	-	1,430.86	1,333.68	51.79	-	-	1,385.47	45.39
Roads and Drains	1,722.82	96.70	-	1,819.52	1,312.01	118.68	-	-	1,430.69	388.83
Water Supply Installations	216.50	1.80	-	218.30	61.53	8.86	-	-	70.39	147.91
Plant, Machinery and Equipment	53,872.04	1,865.22	(0.04)	55,737.22	24,288.17	3,745.21	(0.03)	-	28,033.35	27,703.87
Furniture and Equipment	5,658.64	2,075.05	(10.39)	7,723.30	4,553.85	534.50	(8.40)	-	5,079.95	2,643.35
Transport Vehicles	735.87	96.04	(4.11)	827.80	488.21	50.57	(4.10)	-	534.68	293.12
Special Tools & Equipment	7,066.51	26.90	-	7,093.41	5,274.36	128.11	-	-	5,402.47	1,690.94
Total	1,13,289.00	5,269.15	(14.54)	1,18,543.61	46,053.50	5,765.40	(12.53)	-	51,806.37	66,737.24

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	1,05,223.88	8,322.48	(257.36)	1,13,289.00	40,595.50	5,585.96	(127.96)	-	46,053.50	67,235.50

Notes:

Freehold Land:

- Freehold Land includes
 - 2 Acres and 08 Guntas (March 31,2024: 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.
 - 146 Acres 32 Guntas (March 31,2024: 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 31,2024: ₹ 28.42 Lakh), title to this land is yet to be received.
- In respect of land admeasuring 82 Acres 31 Guntas (as at March 31,2024: 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 2024: ₹ 21.66 Lakh) paid by the company is capitalised.
- Free hold land of 632 Acres 16.50 Guntas (as at March 31,2024: 632 Acres 16.50 Guntas) at Ibrahimpatnam, Rangareddy District is taken possession on agreement of sale by paying ₹ 6136.90 Lakh (as at March 31,2024: ₹ 6136.90 lakh) based on tentative fixation of price is capitalised. Gross Carrying Value is ₹ 7965.16 Lakh (as at March 31, 2024 ₹ 7965.16 Lakh) including the environmental fee and development charges incurred.

(₹ in Lakh)

Buildings :

- (a) Buildings include ₹ 111.01 Lakh as at March 31, 2025 (March 31, 2024 : ₹ 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.

(₹ in Lakh)

PARTICULARS	As at 31.03.2025			As at 31.03.2024		
	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount	Gross Carrying Amount	Accumulated depreciation	Net Carrying Amount
Customer Financed Assets	2,369.40	727.26	1,642.14	2,369.40	625.85	1,743.55

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

(₹ in Lakh)

PARTICULARS	As at 31.03.2025	As at 31.03.2024
Opening balance	13,975.82	12,957.70
Additions	-	1,018.12
Deletions	-	-
Closing balance	13,975.82	13,975.82

Note 2: Capital Work-in-Progress

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Civil	11,341.42	6,861.05
Plant & Machinery	345.15	411.88
Others	28.25	14.55
Total	11,714.82	7,287.48

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, 2024	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2025	Accumulated depreciation/ amortisation as at April 1, 2024	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2025	As at March 31, 2025
Land (held for rentals)	0.97	-	-	0.97	-	-	-	-	-	0.97

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

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

Particulars	March 31, 2025	March 31, 2024
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, 2025 and March 31, 2024.

(iv) Fair value

(₹ in Lakh)

Particulars	March 31, 2025	March 31, 2024
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 2024) per square yard as per the Registration department.

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

Note 4: Right of use assets

(₹ in Lakh)

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/ AMORTISATION				NET CARRYING AMOUNT	
	As at April 1, 2024	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2025	Accumulated depreciation/ amortisation as at April 1, 2024	Depreciation/ amortisation for the year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2025	As at March 31, 2025
Leasehold Land	8,599.75	-	-	8,599.75	3,612.07	56.92	-	-	3,668.99	4,930.76
Leasehold Building	998.91	-	-	998.91	696.85	139.37	-	-	836.22	162.69
Total	9,598.66	-	-	9,598.66	4,308.92	196.29	-	-	4,505.21	5,093.45

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

Leasehold Land :

- (a) Land measuring 3 acres 25 guntas (March 31, 2024: 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, 2024: 553 Acres 34 Guntas) at Amravati for which a premium of ₹ 3922.37 lakh was paid is taken on lease on 07/02/2014 with certain conditions attached to it. One of the main condition is, if the factory building and works are not completed within 60 months from the date of allotment, unless the time is extended, the lease agreement may be cancelled and the lessor may take possession of the leasehold land together with all the erections, if any, on the said land, without paying any compensation to the company. At present the period of investment has been extended upto 05.04.2019. The project for which the land has been taken on lease is under finalisation with Ministry of Defence (MoD), the Company is pursuing for further extension of period of investment. Pending receipt of extension of time period, the company has provided for impairment amounting to ₹ 3217.83 lakh during 2021-22.
- (c) Leasehold land measuring 183 hectares in Defence Industrial Corridor at Jhansi District is taken on lease from UPEIDA for which an amount of ₹ 5071.84 lakh was paid and capitalized along with registration charges. The lease term is 30 years with two renewals of 30 years each aggregating to 90 years for an annual lease rent of ₹ 1.00 per annum.

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, 2024	Additions during the year	Deductions/ adjustments during the year	As at March 31, 2025	Accumulated depreciation/ amortisation as at April 1, 2024	Depreciation/ amortisation for the Year	Deductions/ adjustments during the year	Impairments during the year	Accumulated depreciation/ amortisation as at March 31, 2025	As at March 31, 2025
Development Expenditure	3,324.10	-	-	3,324.10	3,324.10	-	-	-	3,324.10	-
Computer Software	2,293.99	219.56	-	2,513.55	2,253.75	69.99	-	-	2,323.74	189.81
License Fee	21,146.09	4,929.55	-	26,075.64	11,350.34	1,037.93	-	-	12,388.27	13,687.37
Total	26,764.18	5,149.11	-	31,913.29	16,928.19	1,107.92	-	-	18,036.11	13,877.18

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

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

PARTICULARS	As at 31.03.2025			As at 31.03.2024		
	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	4,367.59	-

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.

Note 5A: Intangible assets under development

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Development Expenditure	11,317.25	-
Total	11,317.25	-

Notes:

- Refer note 38(6) for capital commitments
- Refer note 38(21)F: Ageing and completion of Intangible assets under development

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
6 Non-current Investments		
Investment in Equity Investments (Unquoted)		
(a) Associate (at Cost)		
(i) 27,320 fully paid-up Equity shares (Unquoted) of ₹ 1000/- each of Advanced Materials (Defence) Testing Foundation	273.20	-
(ii) 11,740 fully paid-up Equity shares (Unquoted) of ₹ 1000/- each of Electronic Warfare (Defence) Testing Foundation	117.40	-
(b) Other Investments (at fair value through profit and loss)		
(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	-	-
	390.60	-
- Refer note 38(15): Fair value measurement.		
Significant Judgement:		
1. Advanced Materials (Defence) Testing Foundation and Electronic Warfare (Defence) Testing Foundation are not-for-profit companies registered under Section 8 of the Companies Act, 2013. These entities are not considered for preparation of consolidated financial statements as the company does not have rights to variable returns from its involvement, other than equity investment.		
2. 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	125.77	170.22
	125.77	170.22
Refer note 38(15): Fair value measurement.		
8 Other Non-current Financial Assets		
Claims/Refunds receivable	6,192.62	6,317.30
Deferred Debts	4,378.50	4,511.51
	10,571.12	10,828.81
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.		
9 Other Non-current Assets		
Capital advances	2,825.62	714.30
Deferred expense*	1,529.18	1,668.20
	4,354.80	2,382.50

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

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
10 INVENTORIES *		
Raw Materials and Components	1,49,009.81	1,27,814.42
Less: Provision	(5,645.99)	(6,719.24)
GIT of Raw Materials and Components	43.42	40.11
	1,43,407.24	1,21,135.29
Work-in-progress	38,567.39	53,182.67
Less: Provision	(437.57)	(759.72)
	38,129.82	52,422.95
Finished Goods	77,456.80	20,655.10
Less: Provision	(44.34)	(150.19)
GIT of Finished Goods	-	-
	77,412.46	20,504.91
Stores and Spare Parts	5,279.97	3,845.49
Less:Provision	(283.52)	(278.85)
GIT of Stores and Spare Parts	-	-
	4,996.45	3,566.64
Loose Tools	969.01	995.72
Less:Provision	(404.49)	(378.40)
GIT of Loose Tools	-	-
	564.52	617.32
Construction Materials	-	-
Stores & Equipment - Welfare	321.28	315.86
Less: Amortisation	(321.28)	(315.86)
	-	-
Miscellaneous Stores	0.41	0.20
	2,64,510.90	1,98,247.31
* Include Material issued to Sub-contractors/Others	14,784.48	9,712.49
- Out of ₹ 14,784.48 lakh (as at March 31,2024 ₹ 9,712.49 lakh), material lying with sub contractors ₹ 13,770.33 Lakh (as at March 31,2024 ₹ 9,132.30 Lakh) were confirmed / physically verified by the vendors. Differences on confirmation / physical verification of material lying with subcontractors of ₹ 257.63 Lakh (₹ 118.87 Lakh as at March 31,2024) 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.		
11 Trade Receivables		
Secured	-	-
Unsecured, considered good	91,733.86	31,044.72
Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	(9,098.23)	-
	82,635.63	31,044.72
Refer Note: 38(15): Fair value measurement; 38(12) Charges registered.		
Refer Note: 38(20)(F): Movement of Trade Receivables		

(₹ in Lakh)

Ageing schedule for Trade Receivables as at March 31, 2025

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	78,432.90	1,661.08	8,790.86	2,554.77	294.25	91,733.86
(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						
Gross Trade Receivables	78,432.90	1,661.08	8,790.86	2,554.77	294.25	91,733.86
Less: Expected Credit Loss Allowance						(9,098.23)
Trade Receivables						82,635.63

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

PARTICULARS		As at March 31, 2025	As at March 31, 2024
12	Cash and Cash Equivalents		
	Balances with Banks		
	- in current accounts	2,182.75	38,110.17
	- in deposit accounts (Up to 3 months)	11,194.71	21,269.18
	Cash on hand*	8.22	4.85
	Remittances in transit	-	-
		13,385.68	59,384.20

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

* Cash on hand includes cash held with imprest holders

Refer note 38(15): Fair value measurement.

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
13 Other Bank balances		
Bank deposits other than margin money	4,05,651.00	3,63,464.00
(Maturity period more than 3 months but less than 12 months)		
	4,05,651.00	3,63,464.00
- 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, 2024). - There are no bank deposits with maturity beyond 12 months.		
Reconciliation of Cash and Bank balances:		
Cash and Cash Equivalents (as per the above)	13,385.68	59,384.20
Bank Balance (as per the above)	4,05,651.00	3,63,464.00
Total Cash and Bank balances	4,19,036.68	4,22,848.20
14 Current Loans		
Loans to Employees		
- Secured, considered good	-	-
- Unsecured, considered good	441.54	199.85
Total Current Loans	441.54	199.85
Also refer note 38(15): Fair value measurement.		
15 Other Current Financial Assets		
Claims/Refunds receivable	2,376.85	2,728.02
Less: Provision for doubtful claims (Refer Note below)	(4.33)	(21.47)
Deferred Debts*	435.63	421.60
Unbilled Receivables#	78,404.18	87,456.12
Interest accrued on Deposits	15,273.37	15,562.34
Interest accrued - Others	13.32	16.13
Other Assets held for sale	0.28	0.28
Total Other Current Financial Assets	96,499.30	1,06,163.02
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 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	14,312.99	13,008.57
- Unsecured, considered good	1,41,441.91	1,41,508.09
- Unsecured, considered doubtful	-	-
Less: Provision for doubtful advances	-	-

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	346.98	298.44
Deposits@	1,776.67	1,610.26
Deferred Expense*	139.02	139.02
Earmarked balances with banks for unpaid dividend	189.84	4,081.98
Earmarked balances in ESCROW Accounts	2,613.14	-
Balances with Revenue Authorities	13,801.34	-
CSR Expenditure available for setoff #	45.90	80.79
Total Current Assets	1,74,667.79	1,60,727.15

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, 2024 ₹ 693.85 lakh), service tax of ₹ 128.43 (as at March 31, 2024 ₹ 128.43 Lakh) lakh and Goods and Service Tax of ₹ 0.79 lakh pre-deposited for filing of appeal.

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
17 Equity Share Capital:		
Authorised		
40,00,00,000 Equity Shares of ₹ 5/- each (20,00,00,000 Equity Shares of ₹ 10/- each as at March 31, 2024)	20,000.00	20,000.00
Issued, Subscribed and paid up		
36,65,62,500 Equity Shares of ₹ 5/- each fully paid (18,32,81,250 Equity Shares of ₹ 10/- each fully paid as at March 31, 2024)	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, 2023	18,32,81,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Balance as at March 31, 2024	18,32,81,250	18,328.12
Buy back during the year	-	-
Bonus issue during the year	-	-
Sub-Division of Shares during the year	18,32,81,250	-
Balance as at March 31, 2025	36,65,62,500	18,328.12

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

S. No	Particulars	As at March 31, 2025		As at March 31, 2024	
		Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
	Fully paid equity shares				
1	Government of India	27,46,51,054	74.93%	13,73,25,527	74.93%

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

Particulars	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
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, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
No. of Bonus Shares issued (nos.)	-	-	-	-	-	-
Value of Bonus Shares issued (₹ in lakh)	-	-	-	-	-	-

(E) Details of shareholding of Promoters

Shares held by promoters		As at March 31, 2025		% change during 2024-25	As at March 31, 2024		% change during 2024-25
S No	Promoter name	No. of Shares	% of total shares		No. of Shares	% of total shares	
	Fully paid equity shares						
1	Government of India	27,46,51,054	74.93%	-	13,73,25,527	74.93%	-

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
18 Other Equity		
General Reserve	3,83,135.54	3,43,135.54
Retained Earnings	5,617.49	8,431.25
Other Comprehensive Income - Remeasurement of the defined benefit plans	(6,186.07)	(6,212.58)
Balance at end of year	3,82,566.96	3,45,354.21
A. General Reserve		
Balance at beginning of year	3,43,135.54	3,03,135.54
Transfer to Capital Redemption Reserve	-	-
Buyback Premium Written off	-	-
Transfer from Statement of Profit and Loss	40,000.00	40,000.00
Bonus shares issued	-	-
Balance at end of year	3,83,135.54	3,43,135.54

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.

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
B. Retained Earnings		
Balance at beginning of year	8,431.25	5,578.96
Profit for the year	54,964.52	61,272.06
Final dividend	(3,115.78)	(2,199.38)
Interim Dividend	(14,662.50)	(16,220.39)
Adjustment due to change in Accounting Policy	-	-
Transfer to General Reserve	(40,000.00)	(40,000.00)
Balance at end of year	5,617.49	8,431.25
C. Other Comprehensive Income - Remeasurement of the defined benefit plans		
Balance at beginning of year	(6,212.58)	(5,892.85)
Other comprehensive income (net of tax)	26.51	(319.73)
Balance at end of year	(6,186.07)	(6,212.58)
19 Non- Current Lease Liabilities		
Lease Liabilities	31.52	211.50
	31.52	211.50
20 Other Non - Current Financial Liabilities		
Deferred Credit	1,469.20	1,545.94
Embedded derivative liability (Deferred liability)	3,028.84	3,093.72
	4,498.04	4,639.66

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.

(₹ in Lakh)

21 Non-current Provisions		
Asset Retirement Obligation	43.39	40.07
Employee benefits		
Accrued Leave	-	-
Gratuity	-	-
Provident Fund	-	-
	43.39	40.07

- Refer note 38(3) : Employee Benefit Obligations

(₹ in Lakh)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
22 Other Non - Current Liabilities		
Advances from Customers-\$		
Ministry of Defence (MoD)	2,83,387.65	2,65,688.26
Others	45,157.46	94,744.34
Deferred Income*	1,572.62	1,715.58
Deferred Revenue #	2,645.75	2,707.59
	3,32,763.48	3,64,855.77
* 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		
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	179.98	162.61
	179.98	162.61
25 Trade Payables		
Trade Payables - Current:		
Dues to micro enterprises and small enterprises	3,221.64	1,207.05
Dues to creditors other than micro, small and medium enterprises	1,47,334.41	78,631.66
	1,50,556.05	79,838.71
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
- Principal	3,221.64	1,207.05
- 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, 2025

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	3,221.64	-	-	-	-	3,221.64
(ii) Others	1,08,366.36	30,283.78	354.28	1,257.17	7,072.83	1,47,334.41
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						
Total Trade Payables	1,11,588.00	30,283.78	354.28	1,257.17	7,072.83	1,50,556.05

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

PARTICULARS	As at March 31, 2025	As at March 31, 2024
26 Other Current Financial Liabilities		
Current maturities of Deferred credit*	448.00	433.57
Deposits	1,933.76	1,433.12
Creditors for expenses	27,351.34	20,136.35
Employee benefits payable	6,237.92	6,208.58
Capital works	191.18	681.79
Others	411.91	146.62
	36,574.11	29,040.03

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)	1,34,408.94	66,460.66
- Others	55,697.45	72,435.64
Deferred Income*	142.97	142.97
Deferred Revenue	-	-
Statutory remittances	7,557.36	12,502.94
	1,97,806.72	1,51,542.21

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, 2025	As at March 31, 2024
28 Current Provisions		
Employee benefits		
- Gratuity	975.59	1,066.43
- Accrued leave	2,168.89	925.20
- Provident Fund	874.86	1,290.02
Warranty	12,936.83	13,115.12
Onerous contract	14,140.14	-
Future charges	1,475.88	1,870.84
Others	18,191.71	21,724.57
	50,763.90	39,992.18

Movement in provisions				
Provisions	Warranty	Onerous Contract	Future Charges	Others
Balance as at March 31, 2024	13,115.12	-	1,870.84	21,724.57
Additional provisions recognised	4,577.01	14,140.14	-	572.46
Utilisation during the year	(38.39)	-	(386.22)	-
Reversals during the year	(4,716.91)	-	(8.74)	(4,105.32)
Balance as at March 31, 2025	12,936.83	14,140.14	1,475.88	18,191.71

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.

During the year, the Company conducted an assessment of its customer contracts, including a specific contract aimed at gaining exposure to the niche technology in the global defence industry. This contract presents opportunities for the company to become part of global supply chain partner of a leading defence manufacturer. These opportunities are not immediate and are expected to materialize in the future. The company thus classified this contract as an onerous contract in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, and accordingly the company had recognized a provision of ₹ 14140.14 Lakh.

Future charges:

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

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
29 Income Taxes		
29A Deferred Tax Balance		
Deferred Tax Assets	17,763.27	12,804.13
Deferred Tax Liabilities	5,489.88	5,731.32
Total	12,273.39	7,072.81
Breakup of Deferred Tax balances		
Deferred Tax Assets		
Freehold Land	-	-
Lease Liability	53.23	94.16
Provisions	17,356.92	12,135.80
Fair value adjustment to Deferred credit	353.12	574.17
Other Current Financial Liabilities	-	-
Sub-Total	17,763.27	12,804.13
Deferred Tax Liabilities		
Property plant and Equipment	3,733.56	3,695.71
Right of use assets	40.94	76.02
Intangible Assets	1,357.20	1,401.28
Fair value of investments		
- Equity Shares in unlisted Company	-	-
- Mutual Funds	-	-
Fair value adjustment to Deferred debts	358.18	558.31
Others	-	-
Sub-Total	5,489.88	5,731.32
Net Deferred Tax Asset/(Liability)	12,273.39	7,072.81

Reconciliation of Deferred Tax Balances:**For 2024-25**

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	94.16		(40.93)		53.23
Provisions	12,135.80		5,230.03	(8.91)	17,356.92
Fair value adjustment to Deferred credit	574.17		(221.05)		353.12
Other Current Financial Liabilities	-				-
Sub total	12,804.13	-	4,968.05	(8.91)	17,763.27
Deferred Tax Liabilities pertaining to :					
Property plant and Equipment	3,695.71		37.85		3,733.56
Right of use asset	76.02		(35.08)		40.94
Intangible Assets	1,401.28		(44.08)		1,357.20
Fair value of investments					
- Equity Shares in unlisted Company	-				-
- Mutual Funds	-				-
Fair value of Deferred Debt	558.31		(200.13)		358.18
Others	-				-
Sub total	5,731.32	-	(241.44)	-	5,489.88
Total	7,072.81	-	5,209.49	(8.91)	12,273.39

(₹ in Lakh)

**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 adjustment to Deferred debts	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

PARTICULARS	As at March 31, 2025	As at March 31, 2024
29B Current Tax Assets and Liabilities		
Current Tax Assets	-	4,670.80
Total Current Tax Assets	-	4,670.80
Current Tax Liabilities	136.16	-
Total Current Tax Liabilities	136.16	-

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
29C Tax Expense		
i) Recognised in the Statement of Profit and Loss		
Current Tax		
In respect of the current year	25,351.42	22,874.72
In respect of prior years	(230.19)	-
Total	25,121.23	22,874.72
Deferred Tax		
In respect of the current year	(5,209.49)	(1,323.26)
Total	(5,209.49)	(1,323.26)
ii) Recognised in Other comprehensive income		
Tax Expense		
In respect of the current year	(8.91)	107.53
Total	(8.91)	107.53

(₹ in Lakh)

The Income Tax expense for the year can be reconciled to the accounting profit as follows

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax from continuing operations	74,876.26	82,823.52
Tax expense of amounts which are not deductible (taxable) in calculating taxable income		
Income tax expense calculated at 25.168% (FY 2023-24 : 25.168%)	18,844.86	20,845.02
Donations made during the year	-	0.38
Amount towards CSR activities	344.56	262.78
Interest due to MSME's	-	-
Others	5,664.43	1,323.55
Interest payable u/s 234A, 234B, 234C	497.57	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	(5,200.58)	(1,430.79)
Adjustment for current tax of previous years		
Adjustments recognised in the current year in relation to the earlier years	(230.19)	-
Income tax relating to items that will not be reclassified to profit/loss	(8.91)	107.53
Income tax expense recognised in profit or loss	19,911.74	21,551.54
Income tax recognised in Other comprehensive income	(8.91)	107.53
Income tax recognised in Other comprehensive income	(8.91)	107.53

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
30 Revenue from Operations		
Sale of products		
Finished Goods	2,97,313.53	2,11,032.08
Spares	19,112.79	15,077.67
Miscellaneous	18.15	11.51
LD refunded / (levied) by Customers	(6,539.50)	(6,144.63)
	3,09,904.97	2,19,976.63
Sale of services*		
Repairs and Overhauls	12,593.14	8,539.83
Training	39.00	-
Job Works	9,365.57	6,126.72
Miscellaneous	452.83	495.69
LD refunded / (levied) by Customers	(48.22)	(81.26)
	22,402.32	15,080.98
Other operating revenue		
Construction Contracts	-	-
Sale of Scrap	117.41	255.40

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred revenue on customer provided assets	-	828.89
Solar Power	369.19	723.78
Provisions no longer required, written back	1,649.43	-
Other Claims	61.84	61.83
LD refunded / (levied) by Customers	-	-
	2,197.87	1,869.90
Total	3,34,505.16	2,36,927.51

- 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.

31 Other Income

Interest income on financial assets carried at amortised cost

Bank deposits	28,537.29	30,573.45
Others	1,452.68	1,332.92
	29,989.97	31,906.37

Other non-operating income

Liabilities no longer required, written back	48.15	10.58
Liquidated Damages recovered from suppliers	3,558.84	2,626.18
Miscellaneous income (net)	458.95	458.02
	4,065.94	3,094.78

Other gains and losses

Net foreign exchange gain / (Loss)	865.55	1,062.58
Fair value gain/(loss) on financial assets measured at Fair value through profit and loss	120.26	125.44
Gain on disposal of property, plant and equipment	(1.55)	(6.24)
Gain on sale of Financial Assets Measured at Fair value through profit and loss	-	-
	984.26	1,181.78

Total

35,040.17 **36,182.93**

32 Cost of Materials consumed

Cost of materials consumed	2,05,800.98	1,10,840.93
Direct expenses	4,174.82	1,154.99
	2,09,975.80	1,11,995.92

- An amount of Nil (₹ 16491.29 lakh during 2023-24) has been adjusted to cost of materials consumed on account of refund received 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.

(₹ in Lakh)

PARTICULARS		For the year ended March 31, 2025	For the year ended March 31, 2024
33	Changes in Inventories of Finished Goods and Work-in-progress		
	Opening Stock:		
	Finished goods	20,655.10	495.86
	Work-in-progress	53,182.67	51,078.76
		73,837.77	51,574.62
	Closing Stock:		
	Finished goods	77,456.80	20,655.10
	Work-in-progress	38,567.39	53,182.67
		1,16,024.19	73,837.77
	Net (Increase) / Decrease	(42,186.42)	(22,263.15)
34	Employee Benefits Expense		
	Salaries and wages, including bonus	44,590.96	44,590.37
	Contribution to provident and other funds	7,330.34	12,980.22
	Staff welfare expenses	2,958.59	2,430.17
	Total	54,879.89	60,000.76
	Refer note 38(3): Employee Benefit obligations and 38(8): Related party transactions		
	- Board in its meeting held on 03 November 2023 consented additional employer contribution to Pension fund @3% of Basic and DA of employees w.e.f. 01 January 2017. In view of additional contribution, provision has been created for an amount of ₹ 786.14 lakh during 2024-25 (₹ 5401.91 lakh during 2023-24 for the period from 01 January 2017 to 31 March 2024, out of which ₹ 802.49 lakh pertains to the year ended 31 March 2024).		
35	Finance Costs		
	Interest expense	191.89	171.50
	Other finance costs	139.02	139.02
	Total	330.91	310.52
36	Depreciation and Amortisation expense		
	Depreciation of property, plant and equipment	5,765.40	5,585.96
	Amortisation of right of use asset	196.29	196.29
	Amortisation of intangible assets	1,107.92	921.67
	Total	7,069.61	6,703.92

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
37 Other Expenses		
Shop Supplies	114.36	168.88
Power and Fuel	2,414.89	2,327.47
Water Charges	409.68	417.96
Travelling #	1,960.74	1,738.70
Repairs:		
Buildings	1,801.75	1,812.18
Plant, Machinery and Equipment	1,411.34	2,159.25
Furniture and Equipment	226.08	147.90
Vehicles	40.59	20.55
Others	26.42	27.47
Vehicle Expenses - Petrol and Diesel	131.51	113.82
Loose Tools and Equipment	118.64	75.29
Insurance	732.04	705.01
Rates and Taxes	181.65	181.03
Postage, Telegrams, Telex and Telephones	129.41	134.61
Printing and Stationery	88.40	129.02
Publicity	1,171.86	652.59
Advertisement	90.99	174.45
Bank Charges	85.06	49.97
Legal Expenses	11.60	6.81
Donations	-	1.50
Write off - Others	-	-
Auditors' Remuneration: (refer note (i) below)	24.77	17.53
Security Arrangements	5,706.95	5,202.93
Computer Software and Development	-	-
Entertainment	1.15	1.22
Courtesy	-	-
Sitting Fee paid to Directors	22.50	20.45
Sitting Fee paid to Independent External Monitors	3.00	6.50
CSR & Sustainable Development Expenditure	1,369.02	1,044.12
Provision for Replacement, Warranty and Batch Rejections	-	1,969.64
Provision for Redundancy	-	312.09
Provision for Onerous Contract	14,140.14	-
Provision Others	9,456.13	255.35
Miscellaneous Operating Expenses:		
Testing of Materials	2,850.64	3,057.37
Proof Firing Expenses	22.96	8.16
Manpower Hiring Charges	1,336.04	1,209.74
Material Handling Charges	1,309.13	998.82
Hiring of Vehicles	808.06	734.20
D and D Expenses	4,179.43	2,628.18
Other Selling Expenses	10,226.16	840.07
Others	1,996.19	4,188.12
Total	64,599.28	33,538.95
# Includes Directors' Travelling Expenses	104.25	108.84
Notes:		
i) Auditors' Remuneration comprises Fee:		
Particulars		
For Statutory Audit *	15.50	12.50

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2025	For the year ended March 31, 2024
For Tax Audit	2.25	1.25
For other services	7.00	3.50
For reimbursement of expenses	0.02	0.28
Total Auditors' remuneration	24.77	17.53
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:

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards as below, and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any impact on items recognised in the Financial Statements.

38(2) Earnings per share**(i) For continuing operations:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax	54,964.52	61,272.06
Basic:		
Number of shares outstanding at the end of the year	36,65,62,500	36,65,62,500
Weighted average number of equity shares	36,65,62,500	36,65,62,500
Earnings per equity share of ₹ 5/- each (INR)	14.99	16.72
Diluted:		
Effect of potential equity shares on employee stock options outstanding	-	-
Weighted average number of equity shares outstanding	36,65,62,500	36,65,62,500
Earnings per share of ₹ 5/- each (INR)	14.99	16.72
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 are also 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

(₹ in Lakh)

Particulars	March 31, 2025	March 31, 2024
Present value of Obligation at the beginning of the year	21,038.63	21,767.31
Current service cost	557.42	555.10
Interest expense or cost	1,405.81	1,500.31
Remeasurements		
(Gain)/loss from change in demographic assumptions	35.20	133.24
(Gain)/loss from change in financial assumptions	320.71	194.11
Experience (gains)/loss	162.15	200.39
Benefit paid	(3,081.10)	(3,311.83)
Present value of Obligation at the end of the year	20,438.82	21,038.63

Changes in the Fair value of Plan Assets

Particulars	March 31, 2025	March 31, 2024
Fair value of Plan Assets at the beginning of the year	19,972.20	21,701.72
Interest income	1,367.37	1,497.87
Employer contributions	1,066.43	65.59
Benefit payments	(3,081.10)	(3,311.83)
Remeasurements - Return on Assets (Excluding Interest Income)	138.33	18.85
Fair value of Plan Assets at the end of the year	19,463.23	19,972.20

Expenses recognised during the period

Particulars	March 31, 2025	March 31, 2024
In the Statement of Profit and Loss	595.86	557.54
In Other Comprehensive Income	379.73	508.89
Total	975.59	1,066.43

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

Particulars	March 31, 2025	March 31, 2024
Present value of funded obligations	20,438.82	21,038.63
Fair value of plan assets	19,463.23	19,972.20
Deficit of funded plans	975.59	1,066.43

The significant actuarial assumptions were as follows:

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.78%	7.21%
Salary escalation	6.00%	6.00%
Attrition rate	7.10%	6.72%

(₹ in Lakh)

Sensitivity analysis

Particulars	March 31, 2025	March 31, 2024
Defined Benefit Obligation	20,438.82	21,038.63
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	19,712.15	20,287.51
Decrease: -1%	21,237.47	21,861.31
Salary Growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	20,842.81	21,451.28
Decrease: -1%	20,029.22	20,620.62
Attrition rate: (% change compared to base due to sensitivity)		
Increase : +1%	20,526.16	21,140.48
Decrease: -1%	20,343.60	20,928.50

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:

Particulars	March 31, 2025	March 31, 2024
Central government security	4,782.75	4,907.82
State government security	8,265.76	8,481.92
NCD/ Bonds	4,332.20	4,445.49
Equity	1,253.31	1,286.08
Fixed deposit	65.85	67.57
CBLO	557.46	572.04
Loans	2.75	2.82
Other approved security	203.16	208.47
	19,463.23	19,972.20

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-25				
Defined benefit obligation - Gratuity	4,889.09	6,873.61	5,403.72	17,166.41

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(ii) Provident Fund

Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. This is a defined benefit plan and the Company has got the same actuarially valued.

There is no interest shortfall of the provident fund trust for the current year and the previous year.

In view of the uncertainties regarding recoverability of certain instruments made by the PF Trust, during the year 2023-24 an amount of ₹ 415.15 lakhs (₹ 81.63 lakhs during 2023-24) has been reversed due to realisation of higher amounts than the provision made earlier.

Acturial Assumptions	March 31, 2025	March 31, 2024
	(Funded)	(Funded)
Discount rate	6.78%	7.21%
Rate of escalation in salary	6.00%	6.00%
Interest Rate Guarantee on Provident Fund	*	8.25%
Interest Rate declared by BDL PF Trust	*	8.25%

* Yet to be notified

(iii) Compensated absences

The leave obligations cover the company's liability for earned leave. During the year, the company introduced a half-pay leave w.e.f. 1st July, 2024. Accordingly, the company has provided for an additional liability of ₹ 461.59 lakhs related to Half-pay leave for the year 2024-25.

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:

(₹ in Lakh)

Particulars	March 31, 2025	March 31, 2024
The Actuarial Liability of Accumulated absences of the employees of the Company	15,143.16	13,880.71
Less: Plan assets	12,974.27	12,955.51
Net obligation / (Asset)	2,168.89	925.20
Significant assumptions:		
Discounting Rate	6.78% P.A.	7.21% P.A.
Salary escalation Rate	6.00%	6.00%
Retirement Age	60 YEARS	60 YEARS

(iv) Post Retirement Medical Scheme

Particulars	March 31, 2025	March 31, 2024
a) Contributions made to Post Superannuation Medical Benefits for the Employees retired before 01 Jan 2007- PSMB-I	117.40	1,061.94
b) Contributions made to Post Superannuation Medical Benefits for the Executives retired after 01 Jan 2007- PSMB-II	338.02	338.99
c) Contributions made to Post Superannuation Medical Benefits for the Non-Executives retired after 01 Jan 2007-PSMB-III	447.49	463.31

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, 2025	March 31, 2024
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, 2025	March 31, 2024
Being in the nature of Revenue expenditure	10,974.72	7,536.93
Being in the nature of Joint Development expenditure	11,317.25	-
TOTAL	22,291.97	7,536.93

- Assets worth ₹ 589.59 lakh are capitalised during 2024-25 (₹ 1541.62 lakh during 2023-24) which are procured for the purpose of Research and development activities.

- 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, 2025	March 31, 2024
Outstanding Letters of Credit and Guarantees:		
(i) Letters of Credit	18,870.79	25.74
(ii) Guarantees and Counter Guarantees	4,848.03	5,964.30
Total	23,718.82	5,990.04
Claims / Demands against the Company not acknowledged as Debt:		
(i) PSUs	-	-
(ii) Sales Tax	21,310.03	21,310.03
(iii) Service Tax	1,840.89	1,883.80
(iv) Income Tax	732.80	4,752.26
(v) Excise Duty	5,306.33	5,306.33
(vi) Goods and Services Tax	8.76	-
(vii) Others	1,882.56	1,659.42
Total	31,081.37	34,911.84
Contractual Commitments:		
(A) Estimated amount of contracts remaining to be executed on Capital Account and not provided for, is		
(i) Property, Plant & Equipment	18,526.52	20,888.49
(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.	31,972.76	7,961.93
Total	50,499.28	28,850.42

(₹ in Lakh)

38(7) Details of short closed projects:

Out of the advances of ₹ 36234.42 Lakh (as at March 31,2024 ₹ 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 31,2024 ₹114.05 Lakh), Current Assets (Note 10-16) comprises an amount of ₹ 11041.65 Lakh (as at March 31,2024 ₹ 11041.65Lakh) in Advances to vendors and ₹ 8331.44 Lakh (as at March 31,2024 ₹ 8338.85 Lakh) in Inventories, total amounting to ₹ 19489.55 Lakh (as at March 31,2024 ₹ 19489.55 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 31,2024 ₹ 1593.88 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

A) Associates:

Name of the Entity	Relationship	Ownership held by the company
Advanced Materials (Defence) Testing Foundation	Associate	20%
Electronic Warfare (Defence) Testing Foundation*	Associate	10%

*Though the company owns 10% of equity interest, it has significant influence due to meaningful representation on the board of the associate entity.

B) Name of Key managerial personnel

Cmde A Madhavarao, CMD (w.e.f 19 July 2023)	Shri P V Raja Ram, Director (Production) (w.e.f 30 August 2023)
Shri D V Srinivas Rao, Director (Technical) (w.e.f 20 September, 2024)	Shri G Gayatri Prasad, Director (Finance) (w.e.f 19 December 2024)
Shri P Radha Krishna, Director (Production) (Upto 30 June 2023)	Shri N Srinivasulu, Director (Finance) (Upto 31 January 2024)
Shri Jashwant Lal, Independent Director (w.e.f 24 February 2023)	Shri Sunil Chintaman Mone, Independent Director (Upto 24 December 2024)
Prof. (Dr.) Sanghamitra Mishra, Independent Director (Upto 27 December 2024)	Shri Rajendra Singh Shekhawat, Independent Director (Upto 28 December 2024)
Shri Nandakumar Subburaman, Independent Director (Upto 24 December 2024)	Dr. Pawan Sthapak, Independent Director (Upto 24 December 2024)
Shri N Nagaraja, Company Secretary	

(₹ in Lakh)

Key management personnel compensation	March 31, 2025	March 31, 2024
Short - term employee benefits	237.54	234.83
Post - employment benefits	54.15	41.42
Long - term employee benefits	-	-
Sitting fee to Independent Directors	22.50	20.45
Total compensation	314.18	296.70

There are no transactions with related parties other than compensation to Key management personnel.

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, 2025	March 31, 2024
(i) Interim dividend for the year ended March 31, 2025 of ₹ 4.00 per fully paid equity share of ₹ 5 each (March 31, 2024 of ₹ 8.85 per fully paid equity share of ₹ 10 each)	14,662.50	16,220.39
(ii) Dividends not recognised at the end of reporting period: As at the year end March 31, 2025 the directors have recommended the payment of a final dividend of ₹ 0.65 per fully paid equity share of ₹ 5 each (March 31, 2024: ₹ 0.85 per equity share of ₹ 5 each). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	2,382.66	3,115.78

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 ₹ 166,624.90 lakh (₹ 42,809.15 lakh during the year 2023-24). In respect of these sales, 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, 2024 ₹ 61,500.00 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:

Particulars	March 31, 2025	March 31, 2024
Contingent Assets	-	-

38(15) Fair Value Measurement

(₹ in Lakh)

Particulars				Fair value hierarchy Level	Notes	As at March 31, 2025			As at March 31, 2024		
						Cost	Amortised Cost	FVTPL	Cost	Amortised Cost	FVTPL
A. Financial Assets											
a) Measured at amortised cost											
i)	Investment in Associates		6			390.60	390.60	-			
ii)	Cash and cash equivalents		12			13,385.68	13,385.68	-	59,384.20	59,384.20	
iii)	Other bank balances		13			4,05,651.00	4,05,651.00	-	3,63,464.00	3,63,464.00	
iv)	Loans		7, 14			567.31	567.31	-	370.07	370.07	
v)	Other financial assets		8, 15			1,02,256.29	1,02,256.29	-	1,12,058.72	1,12,058.72	
vi)	Trade receivables		11			82,635.63	82,635.63	-	31,044.72	31,044.72	
Sub - total						6,04,886.51	6,04,886.51	-	5,66,321.71	5,66,321.71	-
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			2282.32	-	4,814.13	2,472.51		4,933.11
Sub - total						2,335.92	-	4,814.13	2,526.11	-	4,933.11
Total Financial Assets						6,07,222.43	6,04,886.51	4,814.13	5,68,847.82	5,66,321.71	4,933.11
B. Financial Liabilities											
a) Measured at amortised cost											
i)	Lease liabilities		19, 24			211.50	211.50		374.11	374.11	
ii)	Trade payables		25			1,50,556.05	1,50,556.05	-	79,838.71	79,838.71	
iii)	Other financial liabilities		20, 26			37,595.31	37,595.31	-	30,152.40	30,152.40	
Sub - total						1,88,362.86	1,88,362.86	-	1,10,365.22	1,10,365.22	-
b) Mandatorily measured at fair value through profit or loss											
i)	Embedded Derivative financial liability	3	20,26			-	-	3,476.84	-		3,527.29
Sub - total						-	-	3,476.84	-	-	3,527.29
Total Financial Liabilities						1,88,362.86	1,88,362.86	3,476.84	1,10,365.22	1,10,365.22	3,527.29

Fair Value Hierarchy

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

(₹ in Lakh)

Particulars	Level	March 31, 2025	March 31, 2024
Financial Assets:			
a) Measured at fair value through profit or loss			
i) Investment in equity instruments in other companies	3	-	-
ii) Deferred receivable	3	4,814.13	4,933.11
Financial liabilities:			
a) Measured at fair value through profit or loss			
i) Embedded Derivative financial liability	3	3,476.84	3,527.29

Fair value hierarchy:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The fair value of unquoted equity instrument are determined with respect to the net worth of the company.
- During the year 2021-22, APGPCL i.e., the company in which BDL had invested in equity, received an adverse arbitration award. The implementation of which is likely to erode the networth of APGPCL. Accordingly Fair value of the investment is considered as 'Nil'.
- The fair value of 45 years deferred credit and receivables is determined using foreign exchange rates as per the contract.

The resulting fair value estimates are included in level 3.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2025:

(₹ in Lakh)

Particulars	Unlisted equity shares	Deferred receivable	Embedded derivative liability
As at 31 March 2024	-	4,933.11	3,527.29
Gain/loss recognised in profit and loss	-	321.81	201.95
Current maturity of Financial Instrument		(440.79)	(252.40)
As at 31 March 2025	-	4,814.13	3,476.84

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.

(₹ in Lakh)

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31 2025	March 31, 2024		
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	4,814.13	4,933.11	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 45.83 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 45.83 lakh with a corresponding impact on profit and loss.
Embedded derivative liability	3,476.84	3,527.29	Rupee rate per Special Drawings Right (SDR Unit)	A ₹ 1 increase in the SDR rate would increase the fair value by ₹ 47.13 lakh with a corresponding impact on profit and loss; a ₹ 1 decrease in SDR rate would decrease the fair value by ₹ 47.13 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, 2025:

(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 - Loss allowance measured at 12 month expected credit losses	Claims/ refunds receivable	8569.47	0.05%	(4.33)	8,565.14
	Loans	567.31	-	-	567.31

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

(₹ in Lakh)

Particulars	Total
Gross carrying amount	1,70,138.04
Expected credit loss rate	5%
Expected credit loss (loss allowance provision)	(9,098.23)
Carrying amount of trade receivables	1,61,039.81

(ii) Year ended March 31, 2024:

(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 - Loss allowance measured at 12 month expected credit losses	Claims/ refunds receivable	9045.32	0.24%	(21.47)	9,023.85
	Loans	370.07	-	-	370.07

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

Particulars	Total
Gross carrying amount	1,18,500.84
Expected credit loss rate	0%
Expected credit loss (loss allowance provision)	-
Carrying amount of trade receivables	1,18,500.84

(iii) Reconciliation of loss allowance:

(₹ in Lakh)

Particulars	Trade receivables and unbilled revenue	Claims/refunds receivable
Loss allowance as at March 31, 2024	-	(21.47)
Add: Loss allowance provided during the year	(9,098.23)	-
Less: Loss allowance reversed during the year	-	17.14
Loss allowance as at March 31, 2025	(9,098.23)	(4.33)

(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, 2025	March 31, 2024
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, 2025	Less than 12 months	Between 1 and 2 years	Between 2 year and 5 years	Above 5 years	Total
Non-derivative					
Lease liabilities	179.98	31.52	-	-	211.50
Deferred Credit towards 45 years Component	195.60	181.10	466.73	625.77	1,469.19
Deposits	1,933.76	-	-	-	1,933.76
Trade Payables	1,50,556.05	-	-	-	1,50,556.05
Creditors for expenses	27,351.34	-	-	-	27,351.34
Employee benefits payable	6,237.92	-	-	-	6,237.92
Capital works	191.18	-	-	-	191.18
Others	411.91	-	-	-	411.91
Derivative					
Embedded derivative liability (Deferred liability)	448.00	252.41	757.23	2019.20	3476.84

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	1,545.93
Deposits	1,433.12	-	-	-	1,433.12
Trade Payables	79,838.71	-	-	-	79,838.71
Creditors for expenses	20,136.35	-	-	-	20,136.35
Employee benefits payable	6,208.58	-	-	-	6,208.58
Capital works	681.79	-	-	-	681.79
Others	146.62	-	-	-	146.62
Derivative					
Embedded derivative liability (Deferred liability)	433.57	237.98	713.94	2,141.80	3,527.29

C) Market risk

(i) Foreign currency risk

The company operates in a business that exposes it to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, Euro, GBP, CHF and SEK. Foreign exchange risk arises from future commercial transactions and recognised liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The company is eligible for exchange rate variation upon settlement of foreign exchange liabilities for most of the sales contracts. Hence, the company is protected against the foreign currency risk.

(₹ in Lakh)

Particulars	March 31, 2025				
	USD	EURO	GBP	CHF	SEK
Foreign currency liabilities					
- Payables*	258.21	3.78	-	-	-
Foreign currency assets					
- Receivables	696.40	-	-	-	-
- Foreign Currency balance with Banks	25.33	-	-	-	-
Net Exposure	(463.52)	3.78	-	-	-

* FE Payables includes contracts which are denominated in INR, but pricing and settlement are linked to USD.

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	-	-	-

(ii) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts:

(₹ in Lakh)

Particulars	Impact on Profit	
	March 31, 2025	March 31, 2024
Sensitivity		
INR/USD – Increase by 1%	(395.28)	(61.00)
INR/USD – Decrease by 1%	395.28	61.00
INR/EURO – Increase by 1%	3.52	9.74
INR/EURO – Decrease by 1%	(3.52)	(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:

Ministry of Corporate Affairs (MCA) vide G.S.R. No. 463 (E) dated 5 June 2015 as amended vide notification No. 1/2/ 2014-CL-V dated 23 February 2018 has exempted the Government companies engaged in defence production from the requirement of Segment Reporting under Section 129 of Companies Act, 2013.

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 2025 (As at 31 March, 2024 are shown in brackets) given below.

(₹ in Lakh)

Currency	Financial Liabilities		Financial Assets		Contingent Liability	
	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent
USD	258.21 (184.55)	22028.61 (15,440.39)	721.73 (468.76)	61,556.55 (10,286.01)	44.18 (41.21)	3,798.03 (3,448.95)
EURO	3.78 (6.34)	351.66 (576.17)	-	-	-	-
GBP	-	-	-	-	166.05	18,524.26
CHF	-	-	-	-	-	-
SEK	-	-	-	-	-	-
	-	-	-	-	-	-
Total (₹)		22,380.27		61,556.55		22322.29
		(16,016.56)		(10,286.01)		(3,448.95)

38(19) Grant for Solar Plant:

The Company has implemented two Solar Plants of 5 MW each under Jawahar Lal Nehru National Solar Mission (JNNSM) scheme. Viability Gap Fund (VGF) is accounted based on project cost as per the contracts. An amount of ₹ 1545.89 Lakhs is accounted as VGF and disclosed under Deferred Revenue (Note No. 22) in the books of the Company. Deferred Revenue @4% p.a amounting ₹ 61.83 Lakhs is recognized as from Solar Plant.

38(20) Disclosures under Ind AS 115: Revenue from contracts with customers

A Satisfaction of performance obligation

- In majority of the contract performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. Performance obligation in respect of contract involving supply, Installation and commissioning of complex system is recognised "over a period of time"
- Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract on acceptance by the customer.
- Company's Contract normally do not contain significant financial component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.
- Variable consideration primarily consist of amount receivable/reimbursable against foreign exchange variation clause and liquidated damages. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue based on contractual terms.
- The company's turnover mainly includes supply of missiles and allied defence equipments.
- Warranties provided are primarily in the nature of performance warranty.
- 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, 2025				
Sale of Products	1,52,953.43	1,26,504.48	30,447.06	3,09,904.97
Sale of Services	13,529.54	452.83	8,419.95	22,402.32
Total	1,66,482.97	1,26,957.31	38,867.01	3,32,307.29
For the year ended March 31, 2024				
Sale of Products	1,80,323.81	16,137.55	23,515.27	2,19,976.63
Sale of Services	9,271.38	-	5,809.60	15,080.98
Total	1,89,595.19	16,137.55	29,324.87	2,35,057.61

C Movement of Contract Assets and Contract Liabilities

(₹ in Lakh)

Particulars	Contract Assets		Contract Liabilities	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Opening Balance (A)	87,456.12	1,26,165.35	4,98,628.66	4,24,998.96
Additions				
Against Sales recognised during the year	64,681.73	1,08,254.77		
Receipt of advance from Customer during the year	-	-	1,49,221.86	1,73,497.80
Change in transaction price recognised during the year	-	1,018.50		
Others (if any)	6.53	5,485.46	0.02	-
Total - (B)	64,688.26	1,14,758.73	1,49,221.88	1,73,497.80
Deductions				
Contract liability adjusted against- Revenue recognised during the year out of Opening balance			1,02,318.33	98,038.65
Contract liability adjusted against- Revenue recognised during the year out of Current year balance			27,552.82	1,586.13
Conversion of Contract Asset to Trade receivable	72,159.34	1,52,834.22		
Impairment of Contract Asset if any*				
Write back of Contract Liability if any				
Change in transaction price recognised during the year				
Others (if any)	1,580.86	633.74		243.32
Total - (C)	73,740.20	1,53,467.96	1,29,871.15	99,868.10
Grand Total (Closing Balance) D = (A+B-C)	78,404.18	87,456.12	5,17,979.39	4,98,628.66

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

(₹ in Lakh)

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

(₹ in Lakh)

Particulars	Total Amount	Within a Year	1 - 2 Years	2 - 3 Years	More than 3 Years
Unexecuted order value as on 31.03.2025*	22,81,400.00	4,20,000.00	5,00,000.00	6,50,000.00	7,11,400.00

* The amount is subject to LD of ₹ 31972.76 lakh

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per Statement of P&L Account		
Sale of Products	3,09,904.97	2,19,976.63
Sale of Services	22,402.32	15,080.98
Total (a)	3,32,307.29	2,35,057.61
Add/ Less adjustment to contract price		
FE variation claim	-	-
Incentives, performance bonus received	-	-
Discount, rebate offered	-	-
Price concession offered	-	-
LD levied by customers	8,256.57	6,300.12
LD refunded by customers	(1,668.85)	(74.23)
Others if any	-	-
Total adjustment (b)	6,587.72	6,225.89
Contract price (a + b)	3,38,895.01	2,41,283.50

F Movement of Trade Receivable for 2024-25

Particulars	Sale of Products	Sale of Services	Total
Opening Balance Net Debtors (A)	22,588.73	8,455.99	31,044.72
Additions			
Against Sales recognised during the year	2,88,381.94	20,491.69	3,08,873.63
Conversion of Contract Asset to Trade receivable	69,915.89	2,243.45	72,159.34
Change in transaction price recognised during/previous year	280.02	13.41	293.43
Others (if any)		232.51	232.51
Total - (B)	3,58,577.85	22,981.06	3,81,558.91
Deductions			
Collection made during the years	1,68,660.50	19,365.08	1,88,025.58
Advance adjusted during the year out of revenue recognised	1,27,009.39	2,861.76	1,29,871.15
Impairment of Debtors (Provisions)*	9,098.23	-	9,098.23
Change in transaction price recognised during/previous year	165.65	16.55	182.20
Others (if any)	2,654.76	136.08	2,790.84
Total -(C)	3,07,588.53	22,379.47	3,29,968.00
Grand Total (Closing Balance) D = (A+B-C)	73,578.05	9,057.58	82,635.63

Movement of Trade Receivable for 2023-24

(₹ in Lakh)

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	1,60,703.44	11,276.93	1,71,980.37
Conversion of Contract Asset to Trade receivable	1,41,625.19	11,209.03	1,52,834.22
Change in transaction price recognised during/previous year	-	19.18	19.18
Others (if any)	65.49		65.49
Total - (B)	3,02,394.12	22,505.14	3,24,899.26
Deductions			
Collection made during the years	1,94,678.50	16,823.60	2,11,502.10
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)	2,94,139.56	18,172.25	3,12,311.81
Grand Total (Closing Balance) D = (A+B-C)	22,588.73	8,455.99	31,044.72

* Impairment is tested as per the accounting policy 15 and provision has been made.

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 Ibhrampatnam (632 Acres 16.50 Guntas)	7,965.16	TSIIC	No	16-02-2017	In the process of registration.
Freehold Land	Land at Kanchanbagh (146 Acres 32 Guntas)	28.42	DMRL	No	19-10-1972	Pursuing with authorities for incorporation in revenue records
Investment Property	Land at Kanchanbagh (5 Acres 1 Gunta)	0.97				
Right of use assets	Land at Visakhapatnam (3 Acres 25 Guntas)	-	BDL	No	02-03-2011	Lease deed is executed but yet to be registered.

B The fair value of investment property is not based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. However, the same is being calculated as per the records of Registration Department of State Government.

C Company has not revalued any of its Property, Plant and Equipment or Intangible Assets during the current reporting period.

- D Company has not granted any Loans or Advances in the nature of loans to any of its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

E Capital Work-in-Progress (CWIP)

(a) CWIP Aging Schedule

(₹ in Lakh)

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, 2025					
(i) Projects in progress	3,424.11	6,358.58	1,893.45	38.69	11,714.82
(ii) Projects temporarily suspended					
Total	3,424.11	6,358.58	1,893.45	38.69	11,714.82
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

(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 2025	270.17	2,690.78	-	-
As at 31 March 2024	114.68	276.81	-	-

* 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 Intangible Assets under development:

(a) Intangible Assets under development Aging Schedule

Intangible Assets under development	Amount in Intangible Assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March, 2025					
(i) Projects in progress	11,317.25				11,317.25
(ii) Projects temporarily suspended					
Total	11,317.25	-	-	-	11,317.25

(b) Intangible Assets under development Completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan:

Intangible Assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31 March 2025	11,317.25	-	-	-

* In view of the sensitive nature of the projects and also on account of exemption granted on segmental reporting, project wise details are not disclosed.

G Key Financial Ratios:

Ratio	Numerator	Denominator	As at 31 March, 2025	As at 31 March, 2024	% Variance	Reason for Variance
(a) Current Ratio (in times)	Total Current Assets	Total Current Liabilities	2.38	3.07	-22%	-
(b) Debt-Equity Ratio	Not Applicable as the company has no debt.					-
(c) Debt Service Coverage Ratio						-
(d) Return on Equity Ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	14.38%	17.89%	-20%	-
(e) Inventory turnover ratio (in times)	Revenue from operations	Average Inventory	1.45	1.25	16%	-
(f) Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	5.89	9.57	-38%	Reduction is mainly due to increase in trade receivables on account of higher sales in the month of March, 2025.
(g) Trade payables turnover ratio (in times)	Purchases	Average Trade Payables	2.02	1.68	20%	-
(h) Net capital turnover ratio (in times)	Revenue from operations	Working Capital	0.56	0.38	47%	Increase is mainly due to higher Revenue from operations for the current year compared to previous financial year.
(i) Net profit ratio (in %)	Net Profit after taxes	Revenue from Operations	16.43%	25.86%	-36%	Reduction is on account of Onerous Provision (₹ 14140.14 Lakh) made during the year which resulted in lower Net Profit during 2024-25. Further during 2023-24, there was one off refund / reversal of ₹ 16491.29 which is partly offset by one time exp. ₹ 4599.42 lakh.
(j) Return on Capital employed (in %)	EBIT i.e., Profit before tax and finance costs	Capital Employed i.e., Networth + Deferred Tax Liability (net)	19.35%	23.31%	-17%	-
(k) Return on investment (in %)	Return to investor	Time weighted Investment	46.87%	77.40%	-39%	Though the company has generated 46.87% to investors, it is less than that of previous financial year due to market volatility and Macro Economic factors

- H** 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.
- I** 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.
- J** Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- K** Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 38(22)** There are no transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

38(23) Corporate Social Responsibility (CSR):

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
(i) Gross amount required to be spent by the company during the year	1,369.02		1,044.12	
(ii) Amount of expenditure incurred during the year on				
- Construction / acquisition of any asset:	770.26		295.16	
- On purpose other than above	563.87		722.57	
(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, 2024	Additional provisions recognised	Utilisation during the year	Unspent / (Surplus) Balance as at March 31, 2025
	(80.79)	1369.02	(1,334.13)	(45.90)

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

38(25) 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(26) 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 Paluri Kali Sri Harsha

Partner

(M.No. 252420)

For and on behalf of the Board



G Gayatri Prasad

Director (Finance) & CFO

DIN: 10877803



Cmde A Madhavarao (Retd.)

Chairman and Managing Director

DIN: 09808949



N Nagaraja

Company Secretary

(M.No.A19015)

Place: Hyderabad

Date: 27 May 2025



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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