



ARMOURED VEHICLES NIGAM LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

“FORCE BEHIND THE FORCES”

AVNIL

THE NEW DAWN

1ST ANNUAL REPORT

2021-2022

(From 14.08.2021 to 31.03.2022)



AVANI

A Vision for



आत्मनिर्भर भारत

Atmanirbhar Bharat



DEDICATION

1st

Annual Report

of Armoured Vehicles Nigam Limited (AVNL) (AVANI)
is dedicated to

Our Nation

India that is **Bharat**



THE GREATEST
CIVILSATIONAL NATION
IN THE WORLD

“अत्रापि भारतं श्रेष्ठं जम्बूद्वीपे महामुने ।

यतो ही कर्मभूरेषा ह्यतोऽन्या भोगभूमयः ॥”

Bhárata (India) is therefore the best of the divisions of Jambu-dwípa,
because it is the land of karma: the others are places of enjoyment alone.



AVNL PLEDGE

“TO THE SERVICE OF THE NATION BY EMPOWERING OUR ARMED
FORCES & STRENGTHENING OUR SOVEREIGN CAPABILITIES
IN STRATEGIC AND SECURITY SECTOR”



OUR INSPIRATION



Shri Narendra Modi

Hon'ble Prime Minister of India

“After Independence, we needed to upgrade these factories, adopt new-age technology. But it was not given much attention. Over time, India became dependent on foreign countries for its strategic needs. These new seven defence companies will play a big role in bringing change in this situation,”

“In the 21st century, whether a country or a company, its growth and brand value is determined by its research and innovation. From software to the space sector, India's growth, India's new identity is the biggest example of this,”

“Therefore, I also make a special request to all the seven companies that research and innovation should be a part of your work culture. You not only have to match the world's biggest companies, but also take the lead in future technology,”

- Prime Minister Shri Narendra Modi.





AVNL Celebrates

75
Azadi Ka
Amrit Mahotsav





AKAM CELEBRATIONS AT AVNL



AVNL Flag



AVNL Logo



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Partner in National Celebration - AKAM

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<http://www.avnl.co.in>



Scan QR code to
download Our Annual
Report 2021-2022



1 CORPORATE OVERVIEW



AVANI – The New Dawn

The Cabinet Committee on Security (CCS) in its meeting held on 29.07.2020 approved to convert the erstwhile Ordnance Factory Board (OFB), an attached Office of Ministry of Defence, into one or more than one 100% Government owned corporate entities registered under the Companies Act 2013. Consequently, the Cabinet meeting held on 16.06.2021 approved to convert the units of OFB into 07 Defence Public Sector Undertakings to bring in enhanced functional autonomy, efficiency and to unleash new growth potential and innovation in Ordnance Factories.

“The objective of this restructuring is to transform Ordnance Factories into productive, and profitable assets, improve expertise in product range, increase

competitiveness, improve quality, enhance cost-efficiency and ensure self-reliance in defence preparedness.” – Shri Rajnath Singh, Hon’ble Defence Minister

Armoured Vehicles Nigam Limited hereinafter referred to as AVNL or AVANI is one of the 07 recently formed Defence Public Sector Undertakings. AVNL was incorporated as a fully owned Government of India Company under the Companies Act 2013 on 14.08.2021 with its headquarters at Avadi, Chennai. It commenced its business from 1.10.2021 (the Appointed Date).

The seven new defence companies, carved out of Ordnance Factory Board (OFB), were dedicated to the nation by Prime Minister Narendra Modi on 15.10.2021, on the auspicious occasion of Vijayadashami.

AVNL – The Market Leader

AVNL is the market leader in the production of armoured/ combat vehicles (T-90, MBT Arjun, Infantry Combat Vehicles ‘BMP-II Sarath’ etc.), support vehicles (MPV, AERV etc.) and Defence mobility solutions (Stallion, LPTA etc.).

AVNL – The Mighty Armour of Atmanirbhar Bharat

Born during the ‘Amrit Kaal’ and ‘Azadi Ka Amrit Mahotsav’ of our Nation, AVNL is a ‘New Dawn’ in the firmament of defence production and shall always be a strong pillar and Mighty Armour of ‘Atmanirbhar Bharat’.



BRAND IDENTITY



Logo Description

“The core strength of Armoured Vehicles Nigam Limited is reflected in and represented by the two letters A (‘Armoured’) and V (‘Vehicles’) jointed strategically to create a holistic organisation. The Star explosion at the heart symbolises the explosive strength and infinite potential of the newly created entity. The Sanskrit Phrase captures and reinforces its inherent quality, strength and capability.”

VISION



To strive to be a world class Armoured Vehicles Manufacturer and a trusted Global Brand for domestic and International Customers.

MISSION



To be a prominent patron of Atma Nirbhar Bharat Abhiyan and Make In India Initiative in the Defence Sector.

To establish and retain leadership in domestic market as the most reliable and preferred partner of our Defence and Homeland Security agencies and develop the group into an international class defence conglomerate.

To create and strengthen Brand AVANI by providing superior value for money and exceeding the expectation of all Stakeholders

To be a system integrator of state-of-the-art technology and engineering solutions in the field of military mobility for our existing and potential customers.

To be a learning organisation with global competencies, committed to creativity and innovation.



VALUES

- Unwavering Integrity
- Holding Oneself to highest Standards
- Creativity and Innovation
- Customer Centric
- Ownership, Responsibility and Accountability
- Frugality – Accomplish more with less
- Uncompromising Quality
- Delivery of results in time
- Trust and Team Spirit
- Pride and Loyalty in the Company

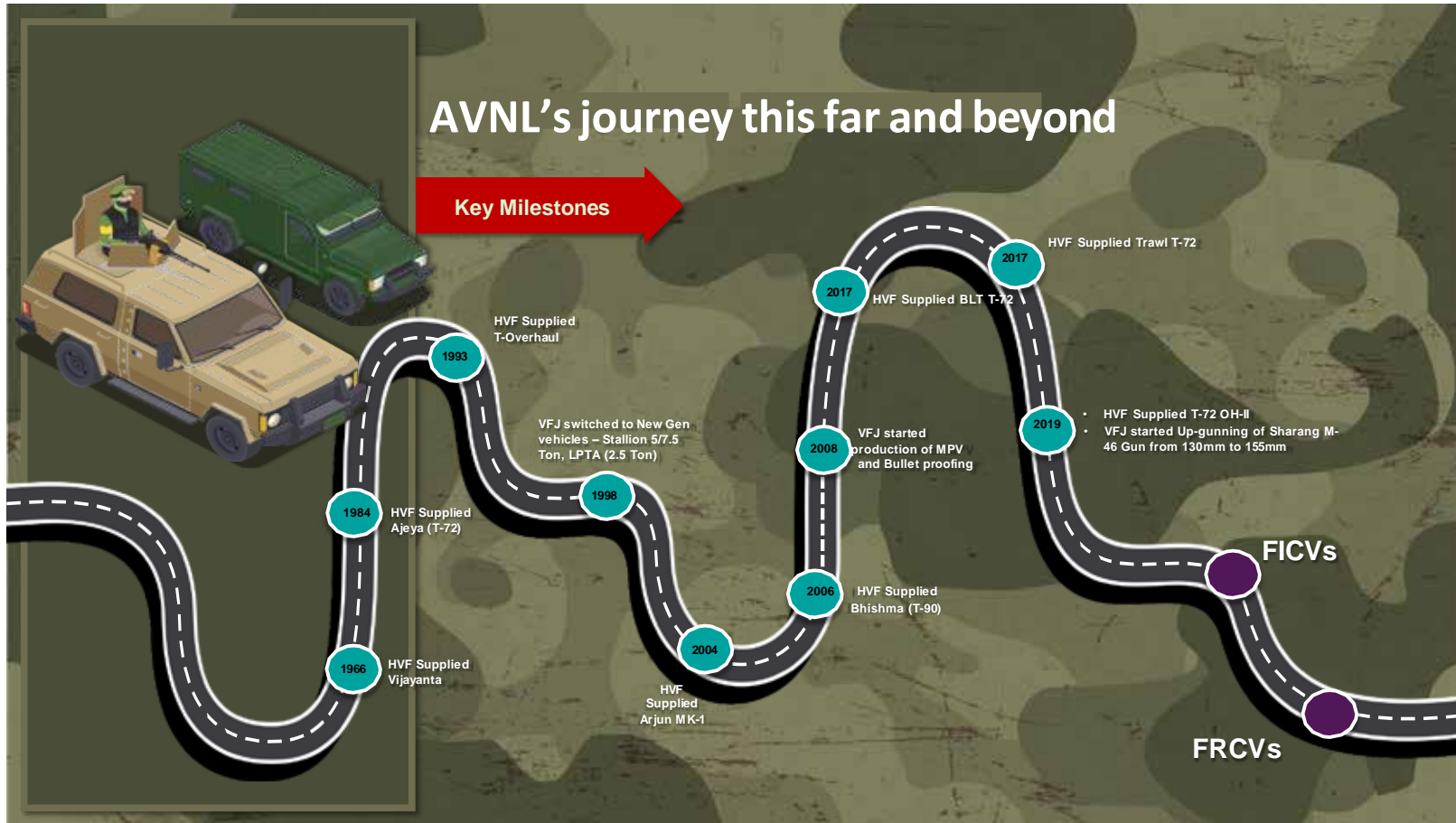


Strategic Intent

- To double turnover in next 3 years
- To improve indigenous content in products, reduce dependence on imports in next 3 years and double export turnover in next 5 years.
- To achieve Post Tax return on equity in line with DPE's guidelines.
- To progressively reduce overhead expenditure and operational costs.
- To attain technological leadership in Armoured Vehicles and its Accessories manufacture through intensification of R&D initiatives
- To generate Intellectual Property under Mission Raksha Gyan Shakti by filing applications in Patents, Copyrights, Trademarks and Designs every year
- To reduce cost and enhance productivity/efficiency by improving internal processes through benchmarking and innovative practices
- To establish systems for growth by undertaking capacity augmentation, technological up-gradation and modernisation of facilities
- To upgrade competencies of employees through appropriate learning and development initiatives and create a committed workforce through continuous engagement
- To develop the AVNL IOLs as Centres of Excellence
- To maintain Total Quality, retain ISO Certification and upgrade to AS 9100D and other International quality standards/systems
- To maintain high degree of Customer Satisfaction and gradually exceed their Expectations.
- To undertake Corporate Social Responsibility and Sustainability projects and help in Nation Building through indigenisation and building up capabilities for strategic self reliance



AVNL Mile stones





Chairman and Managing Director's Message

Dear Shareholders,

It gives me immense pleasure to share through this letter, our achievements and financial highlights during the past year.

AVANI- The New Dawn

In a historic reform initiative, the Government of India decided to corporatize the erstwhile Ordnance Factory Board and 7 new DPSUs were formed out of the erstwhile OFB units. AVNL was one of them. AVNL was incorporated as a fully owned Government of India Company under the Companies Act 2013 on 14.08.2021 and commenced its business from 1.10.2021 (the Appointed Date). Born during the 'Amrit Kal' and 'Azadi Ka Amrit Mahotsav' of our Nation, AVNL is a 'New Dawn' in the firmament of defence production as the Company is and shall always strive to be a strong pillar of 'Atmanirbhar Bharat'.

Short Journey- Long Strides

The journey of AVNL has been truly extraordinary. As the two century old government organization started its transformational journey towards corporatization, the onerous responsibility of steering this difficult transition fell on the shoulders of the Board of Directors supported by all the stakeholders. The tasks and challenges that confronted your Company were daunting and enormous in the first six months of its operation. The onslaught of second wave of COVID-19 pandemic was a double whammy. Covid had not only led to loss of lives and livelihoods, it also created unprecedented global disruption in supply chain, impacting the availability and prices of key inputs. We devised strategy, approach and concrete action plans to navigate those turbulent times to essentially perform while we transformed. Our strategy and approach for this phase was to successfully manage this transition. Important milestones for this period are;



Setting up our corporate structure, Re-organising our Unit structure, Reviving and re-instating the pre-eminence of quality, cost and delivery, Establishing new functionalities and last but not the least, Creating a new, vibrant, positive culture for the organisation.

Performance Highlights

I am happy to share that AVNL has performed exceptionally well, with the help of support and cooperation of the shareholders. The Government of India, Ministry of Defence, Department of Defence Production acted like true guardian and held our hands in these crucial times. Delivering a Year of Record Performance FY 2021-22 saw your Company achieving a turnover of INR 2569.26 Crores/- in its 6 months of operation. The Profit After Tax for AVNL in FY 2021-22 has been 54.19 Crores/-. This in itself is a tremendous achievement as we were able to turnaround a group of loss making units and convert them into profit making venture. FY 2021-22 was also an exceptional year from the order book perspective. We further strengthened our order book position by obtaining contracts. AVNL received an indent of 118 MBT Arjun MK-I Alpha from India Army worth INR 9,000 Crores/- approximately. Our order book position now stands at INR 37,006 Crores/- as on 1.04.2022.

Exports

AVNL is foraying International Defence Market for exploring new avenues and possibilities. As a modest beginning, AVNL exported 14.5 mm Artillery Trainers to Egypt. Further, AVNL is exploring the export opportunities and interacting with Defence Attaches of various countries and Channel Partners engaged by us in this regard, AVNL has received export leads worth Rs. 1500 Crores/-.

Modernization Plans

AVNL is enhancing the production capacity through Modernization of Plant & Machinery and has planned CAPEX of Rs. 300 Crores/- in next 3 years. AVNL

continuously strives to achieve further modernization by focusing on areas of Industry 4.0, Internet of things (IoT). Our 3 production units have recently taken projects for Artificial Intelligence.

Atmanirbhar Bharat

One of the avowed missions of your Company is to be a 'Prominent Patron of Atmanirbhar Bharat' Movement. Towards 'Atmanirbharta in Defence', AVNL has taken up for indigenisation of 38 major Line Replacement Units (LRUs) i.e. major sub assemblies of Tank T-72, Tank T-90, BMP-II and MBT Arjun. Till this time, 05 LRUs namely Starter Generator, Decontamination Set, Link Loading Machine Assembly, Electric Motor for T-90 and Gyro Drift Indicator GPK-59 for BMP II have already been successfully indigenized.

R&D and Innovation

AVNL's continuous strive under Mission Raksha Gyan Shakti (MRGS) resulted in the company filing 14 patents, 5 copyrights and 5 Trademarks so far as an effort towards enhancing the company's intellectual capital. Under iDEX (Innovation for Defence Excellence) program, to promote Start-Ups and to solve complex issues, AVNL has thrown 03 challenges and 02 firms for each of these challenges are being considered.

Also, it is planned to invest Rs. 60 Crores/- in next 3 years for in-house R&D activities & projects like Futuristic Infantry Combat Vehicle (FICV), Light Tank, Armament Upgrade of BMP-II, Mobility upgrades of Engine.

AVNL has signed MoUs with various DPSUs, Govt. Agencies such as Tamil Nadu Industrial Development Corporation (TIDCO), Uttar Pradesh Express Industrial Development Authority (UPEIDC), academic institutions such as IIT Madras, foreign OEMs such as JSC Rosoboron Export, Russia, Elbit Land Systems, Israel and other Indian major private players such as Ashok Leyland and Bharat Forge Limited for collaboration of future products or assistance in this regard.



CSR

Even though AVNL is a new company, it strives to model itself as an ideal corporate citizen. Keeping the ‘Triple P’ (People, Planet and Profit) philosophy as a foundational principle of our business operations, AVNL is committed towards Corporate Social Responsibility (CSR). As mandated under the Companies Act, AVNL has formulated the CSR policy and has also approved various activities permitted in this regard. AVNL has undertaken a project on “Clay Athletic Track (400 mts) within Infrastructure in Sports Stadium” located in Asifabad District, Telangana State (An Aspirational district) with an estimated cost of Rs.23.55 lakhs as part of CSR. AVNL has also donated 500 Flags to school children under Har Ghar Tiranga programme. Many such initiatives are in the pipeline.

Sustainability-Eco Initiatives

AVNL has taken various steps to improve water conservation such as Rain water harvesting, De-silting & restoration of water bodies, installation of bore water and re-use of recycled water etc., in all units. This has led to recurring savings of Rs. 3.45 Crores/- per annum, AVNL has taken appropriate action to changeover to LED lights resulting in total savings of Rs 2.47 Crores/- per annum. Also, installation of Solar Power Plant at AVNL units in HVF and OFMK are providing recurring savings Rs. 3.10 Crores/- per annum.

Journey Ahead.....

Overall, our intent is to retain leadership position in armoured vehicles manufacturing. We have established strategies and initiated actions to rise above competition and maintain a technological edge. We intend to do this by staying abreast with latest technologies and meet the changing requirements of customers with thrust on cost- effective and innovative solutions. Roadmaps have been drawn for future products, new technology areas, creation of IPRs and acquisition of key technologies. We have several prestigious orders lined up and will be focussed on executing them with perfection and on time. While the

opportunities are many, we also anticipate challenges due to geopolitical situations, emerging new technologies, changing policies and regulatory landscapes, competition and evolving customer expectations.

AVNL is a great company with a very bright future. We are market leaders in the domestic market. We have established our credentials and credibility by being able to turnaround and earn profit in the very 1st year of our operation. Our strong order book position will drive our future earnings and put us on the runway of growth and success.

Acknowledgements

I am grateful to the Board of Directors for their unwavering support and guidance during these challenging times. Ministry of Defence has been continuously providing valuable guidance and support, bestowing their confidence and trust in us. I deeply appreciate our shareholders, esteemed customers and business associates for providing opportunities to earn their confidence. The dedication and resilience of our employees and officers are a major strength which enables us to deliver the solutions for meeting the customers’ requirements. We shall make continuous efforts to launch new initiatives and build on these strengths to face future challenges and sustain the momentum for profitable growth in the upcoming years. Thank you for the continuous support to Armoured Vehicles Nigam Limited.

With best wishes,

Yours Sincerely,

A.N. Srivastava

Chairman and Managing Director

Avadi, Chennai

10-11-2022

BOARD OF DIRECTORS

Integrity, Proficiency, Experience



SHRI. A.N. SRIVASTAVA

CHAIRMAN & MANAGING
DIRECTOR (FROM 30.06.2022)

Shri A. N. SRIVASTAVA, IOFS '87, is a Mechanical Engineer with BE from Birla Institute of Technology, Ranchi.

Before joining IOFS, Shri Srivastava has worked in TISCO, Vizag Steel Plant, Vishakapatnam and Indian Telephone Industries.

During his career of around 34 years of service, he has worked in several Units/Establishments and has in depth knowledge of Ammunition Hardware/Ordnance Hardware Production, Ammunition Filling, Military Vehicles etc.

He has worked as Director, National Solar Mission in the Ministry of New & Renewable Energy, New Delhi from 2011 to 2015 and has steered the National Solar Mission in developing new schemes for setting up of Solar Power Projects in the country. He has represented GOI in World Trade Organisation, Geneva, Switzerland to defend the Government's policy on Indigenous Content.

In recognition to his exemplary performance he has been awarded Ayudh Bhushan and Ayudh Vir on four different occasions.



SHRI. SANJAY DWIVEDI

DIRECTOR/OPERATIONS

Shri Sanjay Dwivedi is a Mechanical Engineer with B.E. from NIT Raipur and M. Tech. in Thermal Engg from MANIT, Bhopal.

He is an Alumnus of National Defence College, Delhi and IIM, Ahmedabad.

He is an IOFS [Indian Ordnance Factories Service] officer of 1988 batch. He also worked as Engineer in National Fertilizers Limited for 18 months before joining Ordnance Factories.

During his entire career, he served in several Units/Establishments and has acquired deep domain knowledge in the field of production of Tanks and Weapons and has served in various functional fields of Management like Production, Planning, Maintenance, Quality Assurance and Material Management.

While serving as Deputy Director General at OFB, Kolkata looking after Planning of the entire organization for a period of five years, he gathered a rich knowledge of products as well as various management matters of the entire organization and its linkages and functioning with other organizations. Thereafter, he served as General Manager of Ordnance Factory, Tiruchirapalli which is engaged in production of small arms and medium caliber weapons used in Battle Tanks.

He also served as First Secretary (Technical) at Embassy of India, Moscow for a period over four years from 2006 to 2011 gaining rich experience in the matters of international affairs in general and bilateral cooperation with Russia and other CIS countries, in particular.

He is well versed with various Technologies used in Armoured Vehicles such as T90s Tank, T-72 Tank, BMP-II and its variants, Mine Protected Vehicle etc.



SHRI. C. RAMACHANDRAN

DIRECTOR/FINANCE

Shri. C Ramachandran holds post graduate Diploma in Business Management (1998) from Indian Institute of Management, Kolkata. He also is an alumnus of Indian Institute of Technology, Mumbai where he studied for his M.Tech(1988) in Industrial Management. He has studied Electrical Engineering from University of Jabalpur (1986), Madhya Pradesh.

He started his career as Management Trainee in Indian Oil Corporation in 1988 and subsequently moved to Ordnance Factory Board in 1989. During past 33 years in OFB Organization, he has served in 8 Units/Establishments of OF Organization and has acquired deep domain knowledge in several fields including Production & Operations Management, Materials Management, IT, Administration and several related fields of Management Sciences.

His most recent assignment before his nomination as Director in interim BOD of AVNL has been in New Delhi Office of Ordnance Factory Board and as Deputy Director General (COORDINATION), OFB New Delhi Office, which coordinates between OFB Kolkata and DDP, MOD, Army, Navy, Air Force, MHA, UPSC, DOPT, MEA, MSDE and others government organizations in New Delhi.

He has sustained and deep rooted interests in several fields including Management Sciences, Statistics, Operations Research, IT, & Humanities including Foreign Affairs, Strategic Policy and Strategic Affairs, Military History, Development Economics, Study of Languages, poetry and current affairs. He has working level proficiency in four Indian Languages besides English.

He is also an avid player of bridge and likes to solve crossword puzzles.



SHRI. B. PATTANAİK

DIRECTOR/HR

A graduate from Ravenshaw College and Post Graduate from Utkal University Odisha, Shri Biswaranjan Pattanaik joined Indian Ordnance Factories Service (IOFS) in 1991 being selected through Civil services Examinations. In his last 30 years in Government Service, he has served as Administrative Officer in various Ordnance Factories where he has provided leadership in areas like HR, Legal, Vigilance and Administration.

He also has served in various critical personnel/HR/Legal/Vigilance functional areas in erstwhile Ordnance Factory Board. On his selection as Director/HR in Armoured Vehicles Nigam Limited (AVANI), he has assumed charge on 1.10.2021 at AVNL Corporate Office, Avadi, Chennai



SHRI. ANURAG BAJPAI

NOMINEE DIRECTOR

Shri. Anurag Bajpai belongs to 1994 batch of Indian Forest Service. A Post Graduate in Economics, Financial Management and Mass Communication, has got international exposure in forestry, environment policy, energy, defence, women empowerment and global governance in various countries including Indonesia, South Korea, Germany, United Kingdom, Italy, Denmark, Belgium, Malaysia, Bahrein and Brazil. He has also worked in Food and Agriculture Organisation (FAO), Rome. He has travelled across 35 countries and gained experience in policy planning, international cooperation and global governance.

In Govt. of India, Shri. Anurag Bajpai has been instrumental in Policy Reforms in Forestry Sector, Defence, Skill Sector, Education, Infrastructure Development and Women Empowerment. He held various positions in Government of India viz. Asstt. Inspector General of Forest, Dy. Secretary and Director in his previous terms. Presently, he is working as Joint Secretary in Department of Defence Production, Ministry of Defence. He is also government nominated Director in the Boards of Defence PSUs i.e. Bharat Electronics Ltd. (BEL), Bharat Dynamics Ltd. (BDL), Mishra Dhatu Nigam Ltd. (MIDHANI), Armoured Vehicles Nigam Limited (AVANI) and India Optel Limited (IOL).

CORPORATE INFORMATION

Date of Incorporation:	14.08.2021
Date of Commencement of Business	1.10.2021
Paid Up Capital	Rs. 444.53 Crores/-
Authorised Capital	Rs.12500 Crores/-.
Total Employees Strength	11,799

Board of Directors

SHRI. A. N. SRIVASTAVA
CHAIRMAN & MANAGING DIRECTOR
From 30.06.2022

SHRI. SANJAY DWIVEDI
DIRECTOR / OPERATIONS

SHRI. C. RAMACHANDRAN
DIRECTOR / FINANCE

SHRI. BISWARANJAN PATTANAİK
DIRECTOR / HR

SHRI. SANJEEV KISHORE
CMD (upto 27.06.2022)

SHRI. ANURAG BAJPAI
GOVT. NOMINEE DIRECTOR

Company Secretary

B V Geethalakshmi

Chief Vigilance Officer

Shri Shrikant Walgad

Chief General Managers

Shri. Dinesh Singh

Shri Rajeev Mathur

Shri Rajesh Agarwal

Shri K .Sudhakar

Shri Ashok Gupta

General Managers Shri

Sanjeev Kumar Bhola Shri

Praveen Kumar Arora Shri

Nagababu P

Shri Sivakumar M

Shri Arup Ratan Sit

Shri J P Singh

Shri Kadirvel S

Shri Atul Khare

Shri Gireesh Babu P K

Shri Harekrishna Behera

Shri Selvam L V

Shri P.K.Bummerkar

Shri Sandeep M Salve

Shri Shri Prabhakar G S R

Shri Satyananda Kumar P

Shri Vineet Sharma

Shri Anurag Kumar Sharma

Shri Babji P

Shri Ratna Prasad BN



Shri G Ramdas Shri

Rakesh Surya Shri

Prem Chandra

Shri Surendra Kumar

Shri Durgesh Nandan Verma Shri

Ajai Kumar Rai

Shri Manoj Kumar Maurya

Shri Patel Tularam

Shri A.K.Bapat

Shri Sanjai Wakhaloo

Shri Chandrasekaran M

Shri Rambhad Vijay R

Shri Rajesh Kumar

Shri Srinivasan G

Shri Sahadevan. R

Shri Srinivasan R

Shri Ranjan Kumar Bal

Shri Gnanasekaran. S

Statutory Auditors

M/s. T.G. Sukumaran & Co,
Chartered Accountants

Branch Auditors

M/s. I P R S Company,
Chartered Accountants

M/s. P.T. Ponnaiah & Co,
Chartered Accountants

M/s. E.A. Patil & Associates LLP,
Chartered Accountants

M/s. Agarwal & Ladda,
Chartered Accountants

M/s. Piyush Chandra Mishra & Associates,
Chartered Accountants

Offices

Registered Corporate office

C/o. Armoured Vehicles Headquarters, HVF Road,
Bhaktavatsalapuram, Avadi,
Chennai, Tiruvallur Distt, Tamil Nadu - 600 054.

Our Factory Units

Heavy Vehicles Factory

Avadi, Chennai – 600 054

Engine Factory

Avadi, Chennai – 600054

Ordnance Factory Medak

Yeddumailaram (PO), Kandi (Mdl)
Sangareddy (Dt)
Telangana - 502205

Vehicle Factory Jabalpur

Jabalpur, Madhya Pradesh - 428009

Machine tools prototype Factory

Ordnance Estate Ambernath, Maharashtra
– 421502

Training Institutes

AVNL Institute of Learning Avadi

HVF Estate, Avadi, Chennai – 600054

AVNL Institute of Learning Medak

Medak, Yeddumailaram - 502205

AVNL Institute of Learning Ambernath

Thane, Maharashtra - 421502

ARMoured VEHICLES NIGAM LIMITED

AVADI, CHENNAI - 600054

ORGANOGRAM OF AVNL

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

DIRECTOR/
OPERATION
S

DIRECTOR
/
FINANCE

DIRECTOR
/
HR

CHIEF
VIGILANC
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CHIEF
GENERAL
MANAGER
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HEAVY
VEHICLES
FACTORY
(HVF)

CHIEF
GENERAL
MANAGER
/
ENGINE
FACTORY
AVADI
(EFA)

CHIEF
GENERAL
MANAGER
/
ORDNANC
E
FACTORY
MEDAK
(OFMK)

CHIEF
GENERAL
MANAGER
/
VEHICLE
FACTORY
JABALPUR
(VFJ)

CHIEF
GENERAL
MANAGER /
MACHINE
TOOL
PROTOTYPE
FACTORY
(MTPF)

GENERAL
MANAGER /
INSTITUTE
OF
LEARNING
AVADI
(AVNLIOLAV
)

GENERAL
MANAGER /
INSTITUTE
OF
LEARNING
MEDAK
(AVNLIOLMK
)

GENERAL
MANAGE
R
/
INSTITUTE
OF
LEARNING
AMBERNAT
H
(AVNLIOLAM
)

AVNL PRODUCTION UNITS

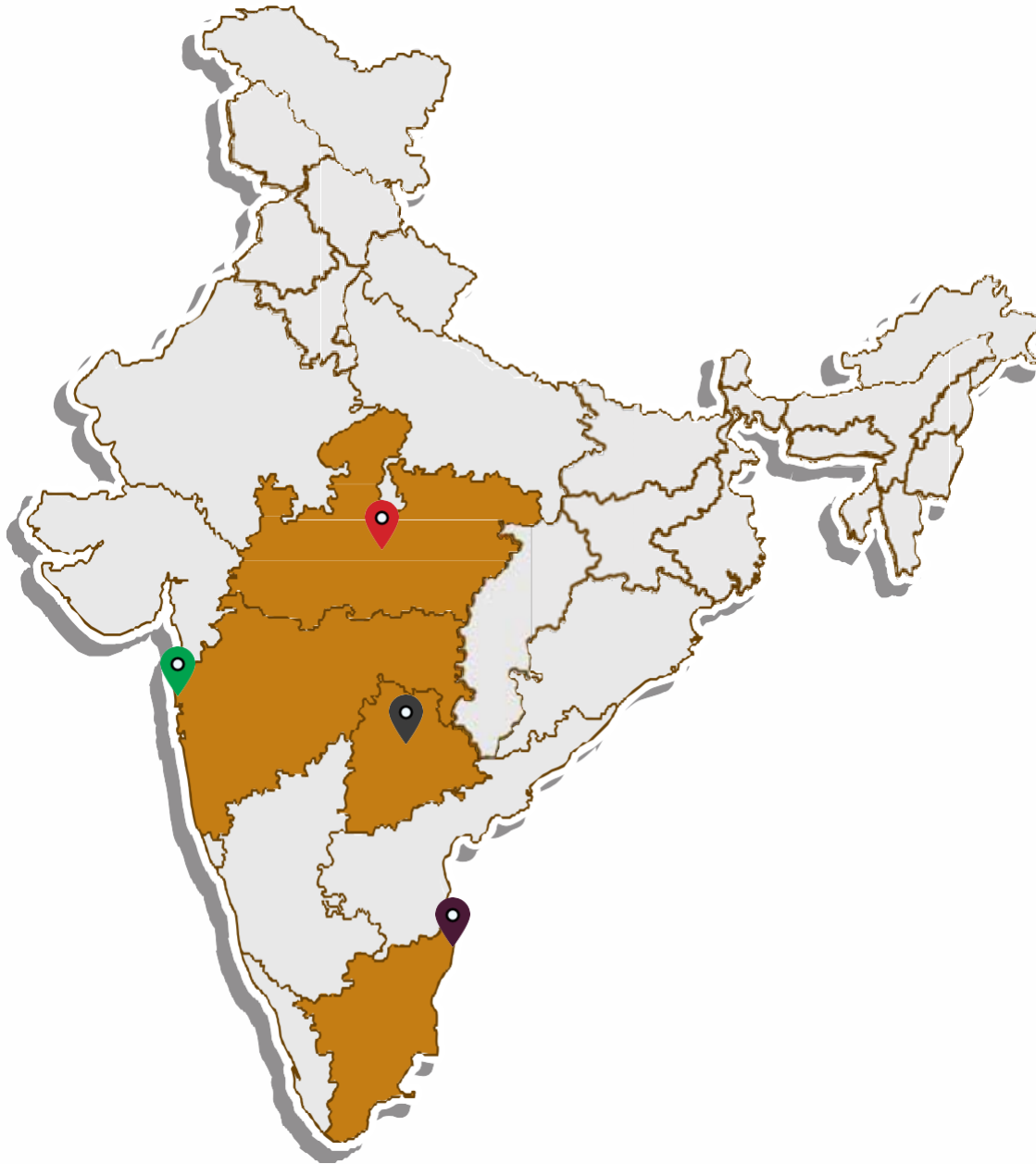
AVNL TRAINING INSTITUTES

FINANCIAL

STATUTORY


CORPORATE

AVNL FOOTPRINT




Vehicle Factory Jabalpur

AVNL Corporate Office

 Machine Tool Prototype Factory
Ambernath

 Heavy Vehicles Factory Avadi

 Ordnance Factory Medak

 Engine Factory Avadi





AVNL CORPORATE OFFICE
AVADI, CHENNAI- 600054

FINANCIAL
STATUTORY

PRODUCTION UNITS

AVANI heralds a New Dawn in the firmament of defence manufacturing. Born during the Amrit Kal of Azadi Ka Amrit Mohotsav, AVANI has an auspicious beginning and promises to be a world class armoured vehicles manufacturer and a strong pillar of Atmanirbhar Bharat. AVNL comprises of 5 production units manufacturing 'A' & 'B' type Military Vehicles & its accessories / spares. The five Units are as follows:

- Heavy Vehicle Factory (HVF), Avadi, Chennai
- Engine Factory Avadi (EFA), Chennai
- Vehicle Factory Jabalpur (VFJ)
- Ordnance Factory Medak (OFMK), Hyderabad
- Machine Tool Prototype Factory (MTPF), Ambernath, Mumbai.



HEAVY VEHICLES FACTORY



Established in
Dec 1961

Only unit Manufacturing BMPs

Heavy Vehicles Factory (HVF) is at Avadi near Chennai. This was established in 1961 and manufactures armoured fighting vehicles like Ajeya T-72 Tank, Bhishma T-90 Tank, Main Battle Tank Arjun. On T-72 platform, the factory also manufactures variants such as Bridge Layer Tank and Trawl. Further, HVF also overhauls these tanks held by Army.

ENGINE FACTORY AVADI



Established in
April 1987

Only production unit in India manufacturing AFV Engines

Engine Factory is at Avadi near Chennai. This was established in 1987 and manufactures mainly diesel engines namely UTD-20 for BMP-II Sarath, V46-6 for Ajeya T-72 Tank, V92S2 for Bhisma T-90 Tank and also does overhauling of these engines held by the army.

ORDNANCE FACTORY MEDAK

Established in
1984

Only unit Manufacturing BMPs

Ordnance Factory Medak is near Hyderabad. This was established in 1984 and manufactures Infantry Combat Vehicles Sarath BMP-II and their variants such as Carrier Mortar Tracked (CMT), Carrier Command Post Tracked (CCPT), Armoured Engineering Reconnaissance Vehicle (AERV), Armoured Ambulance Tracked (AAT). Further, OFMK also overhauls these vehicles. OFMK also manufactures Closed Range Naval Gun (CRN) 91 for Indian Navy.

MACHINE TOOL PROTOTYPE FACTORY



FINANCIAL

STATUTORY

Established in
1953

Machine Tool Prototype Factory is at Ambarnath near Mumbai. This was established in 1953 and manufactures gear boxes and various components for other production units apart from the machines. This factory also manufactures electronic fuzes for various ammunitions. Further, this factory has developed Kavach, a Decoy Launcher for naval use.

VEHICLE FACTORY JABALPUR (VFJ)

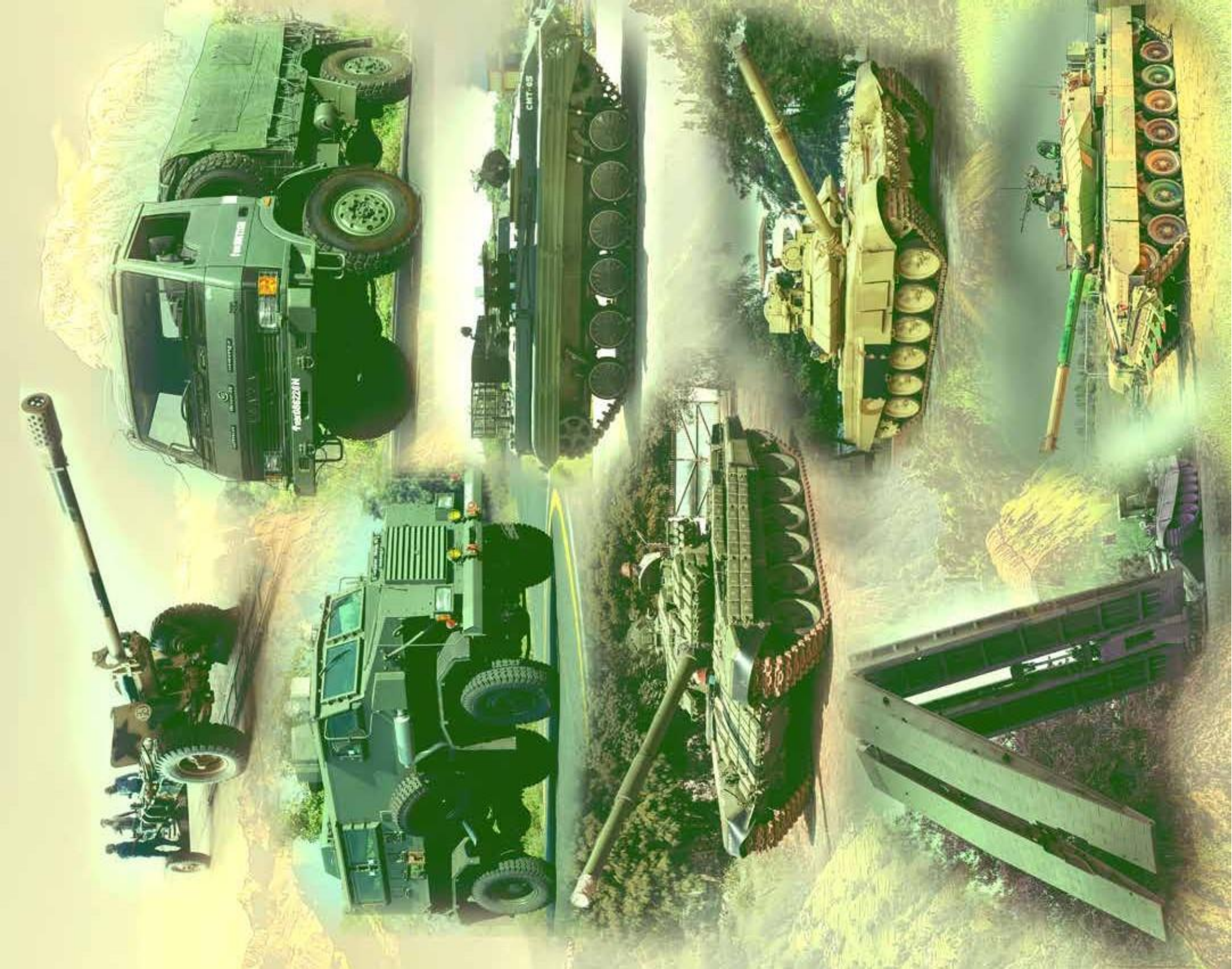


Established in

1953

Known for Shaktiman, Nissan and Jonga

Vehicle Factory Jabalpur (VFJ) was established in 1969 and manufactures Military Logistic Vehicles namely Stallion 5/7.5 Ton, LPTA 2.5 Ton, 2KL Water Bowser, Bullet Proof Vehicles and Mine Protected Vehicles (4x4 and 6x6) for armed forces and paramilitary forces. This factory is also Up Gunning SHARANG M46 gun from 130 mm to 155 mm.



TRAINING & DEVELOPMENT ARCHITECTURE

NURTURING HUMAN EXCELLENCE THROUGH INSTITUTES OF LEARNING

One of the avowed missions of AVNL is “TO BE A LEARNING ORGANIZATION WITH GLOBAL COMPETENCIES, COMMITTED TO CREATIVITY AND INNOVATION”. In a corporate set up, the role of HR is that of “Strategic Business Partner”. AVNL HR shall add value to the organisation in many spheres but most importantly through human development.

AVANI is having the following dedicated training institutes with appropriate infrastructure and manpower:

1. AVNL IOL Ambernath
2. AVNL IOL Avadi
3. AVNL IOL Medak

Infrastructure Facilities:

- Modern air conditioned classrooms equipped with Internet and Audio Visual System
- Air conditioned Auditorium/Presentation Hall
- Information Technology (IT) laboratory
- Hostel facilities



AVNL Institute of Learning, Ambernath, Maharashtra



Armoured Vehicle Nigam Limited Institute of Learning (AVNL IOL) Ambernath, earlier known as Artisan Training School, has been a pioneer institute in 1950s imparting rigorous training in mechanical engineering trades. The artisans passing out from ATS spearheaded industrial progress in western region

Training Infrastructure and Capabilities

This Institute has got an excellent library with over 4,000 quality books on various subjects and an array of professional magazines to update the information of the trainees and other users.

The Institute also has a large, 213 seater, fully air-conditioned Auditorium where seminars and trainings for large number of participants can be conducted.

The courses conducted by AVNL IOL Ambernath cover the entire spectrum from Design to Quality, from Manufacturing to Marketing & Export, from IPR to Industry 4.0 and Artificial Intelligence.

AVNL IOL Ambernath intend full capacity utilization of the resources & infrastructure in the field of Hydraulics & Pneumatics, AutoCAD, Design and Unigraphics etc. The three laboratories; namely Hydraulics and Pneumatics Lab. Design Lab and IT Lab present an ultra-modern look. These Labs have been upgraded with add-on kits recently. Further, “Atal Tinkering Lab” in the field of Automation & Robotics is being set-up. The Design Lab is also being upgraded with installation of a 3D Printer.

The core competence of AVNL IOL Ambernath:

- Mechanical Maintenance
- Design AutoCAD and Unigraphics NX
- Hydraulics & Pneumatics
- Industrial Robotics
- Cyber Security
- Industry 4.0.

AVNL Institute of Learning, Avadi, Tamil Nadu



AVNL Institute of Learning (AVNL IOL) Avadi was originally established in 1996 as Regional Training Institute for imparting training to Group B & C officials of Ordnance Factories and their Allied Establishments. RTI was renamed as Ordnance Factories Institute of Learning in the year 2005.

Training Infrastructure and Capabilities

There are two air conditioned class rooms, a library, auditorium, conference room and a LAN room with 35 nodes in AVNL IOL Avadi. All the class rooms are provided with various audio visual aids for training like LCD Projectors etc and are equipped with high speed internet connection.

The hostel at AVNL IOL Avadi can accommodate 62 participants with catering arrangements.

The Library of AVNL IOL Avadi is equipped with books on diverse topics such as management, computer, engineering, production, HR, Govt. rules and regulations etc., by authors of repute from India and abroad.

Working Models:

This institute has an Armoured Vehicle Cut Cum working Model Room with V46-6 Engine, V92S2 Engine, BMP UTD20 engine, Side Gear Box, Air Compressor,

Suspension System, Transmission System, IGB and various sub assemblies related to Armoured Vehicles. Demonstration room provides participants a hands on practice for disassembly and assembly of IGB, Side Gear Box, Hydraulics Shock absorber, Bevel Gear unit, Fan friction Clutch, Air Compressor, Air Filters, Engine etc. Efforts are also being made to create more cut cum working models of AV Tank sub assembly and give more emphasis to practical oriented training programme on AV Technology.

The fields of core competence of the Institute are

1. Personnel Management
2. Quality and Industrial Engineering
3. Armoured Vehicle Technology

Unique Capability:

AVNL IOL Avadi possesses the unique capability to impart training on Armoured Vehicle Technology to the Army Field Unit Personnel and Civilian personnel from various Ordnance Factories and Allied establishments.

AVNL Institute of Learning, Medak, Telangana



AVNL IOLMK was earlier known as Regional Training Institute Medak. It was then renamed as Ordnance Factories Institute of Learning, Medak in September 2003. It has been a pioneer Institute in the field of “Part Programming and CNC Technology”.

Training Infrastructure and Capabilities

- 04 classrooms with AC facility of 30 seating capacity each
- 01 Conference hall with AC facility
- Laboratory
- IT Lab: Fully equipped with AC having 30 seating capacity and teaching Aids.
- Library: AVNL IOLMK is having library facility having sufficient number of Technical Books.

Training Courses:

a) Long term courses:

AVNL IOLMK has been conducting long term courses for direct recruit JWMs (12 weeks) and Induction and

Refresher Courses for JWM (Promotee) (06 weeks). The participants of these long term courses are given intensive training in various Administrative procedures, Material Management, Production Technology, Quality, PPC, IT etc.

b) Core-competency areas:

AVNL IOLMK has been identified as “Centre of Excellence” in the area of “Part programming” and CNC Technology”. CNC Lab with SIEMENS AND FANUC SIMULATION

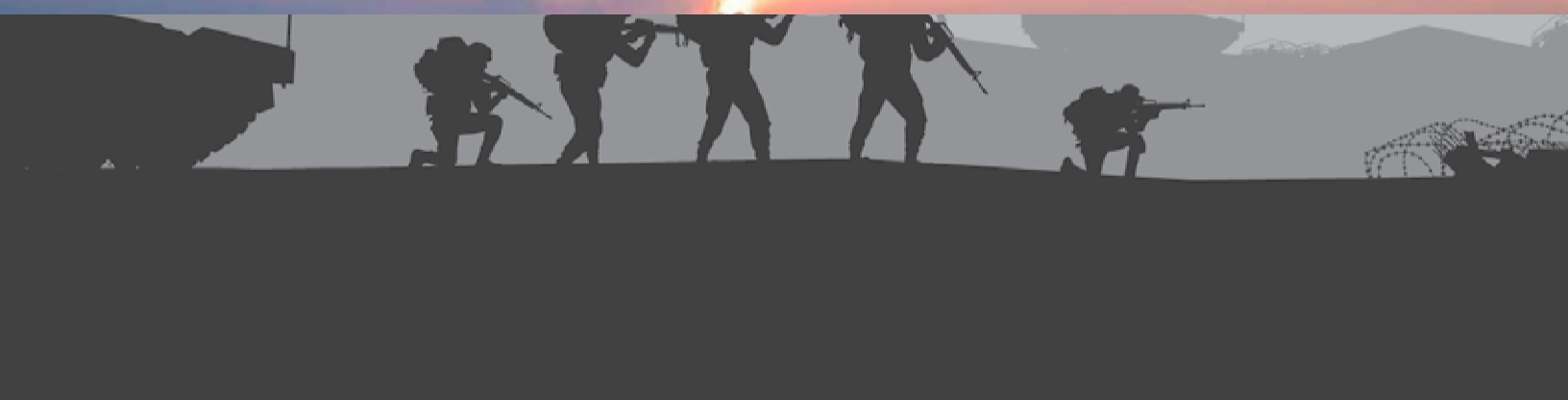
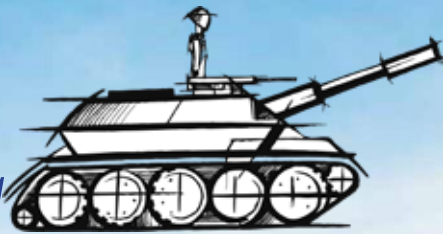
SOFTWARE has been established. Presently AVNL IOLMK is having 16 licenses of Siemens SINUTRAIN 840D & FANUC NC GUIDE SIMULATION SOFTWARE to train the participants on Part programming.

- CNC Part Programming on Turning & Milling
- CNC Maintenance on Fanuc & Siemens Control systems
- Mechatronics
- SPC, SQC Techniques

GLIMPSES OF TRAINING IN



AVNL
PRODUCTS





MBT- ARJUN

The MBT ARJUN is equipped with accurate & superior firepower, all-terrain mobility and an invincible multi layered protection provided by an array of advanced technology systems. It can take on the enemy during day & night conditions and in both static & dynamic modes. By virtue of these capabilities, this indigenous MBT proves to be at par with any contemporary main battle tank across the globe. This tank is particularly configured and designed for Indian conditions and hence it is suitable for deployment to protect the frontiers in an effective manner.



T-90 BHISHMA

The T-90 main battle tank (MBT) is an advanced version of the T-series of tanks, offering increased firepower, mobility and protection. It is manufactured by HVF, an original equipment manufacturer, in Chennai. In February 2001, the Indian Army signed a contract for 310 T-90 tanks; 124 were completed in Russia, and the rest were delivered in 'knocked down' form for final assembly in India. Its armament includes one 125mm 2A46M smooth bore gun that is stabilised in two axes and fitted with a thermal sleeve.

AJEYA TANK T-72

The T-72 has greater mobility as its 780 hp engine appears to be remarkably smoke-free and smooth-running, having eliminated the excessive vibration. The T-72 has better armor protection due to the use of layered armor. The tank is fitted with a 125mm D-81 smoothbore gun, a 7.62mm co-axial machine gun and a 12.7mm air defence machine gun mounted on the commander's cupola. The T-72 carries 44 rounds of 125 mm ammunition, 22 rounds of which are carried on an automatic loading carousel.





BRIDGE LAYER TANK (BLT) T-72

Bridge Layer Tank (BLT) provides capabilities to negotiate natural and man-made anti-tank obstacles to an advancing tank column. It can lay its bridge instantly and recover the same from the far bank, after the entire tank column has crossed over. Capability exists to base it on any other tank of West or East European origin. The BLT can lay two types of bridge, i.e. a 20m scissors bridge with an MLC 60 load classification and a 22m scissors bridge, with an MLC 70 load classification.



TRAWL T-72

Trawl assembly is an equipment designed to create a Vehicle Safe Lane (VSL) of 5.39 m width through a minefield using four number of trawl tanks in tandem. It is a combination of roller and plough type.

BMP – II SARATH THE CHARIOT TO VICTORY

BMP-II Powered by a powerful mobile engine which meets all tactical requirements of mobility in a battlefield, travels at an incredible speed of 65 kmph, with easy steering ability in cross country terrain. SARATH is a truly amphibious vehicle which can travel at 7 kmph on water and can overcome slopes up to 35° and can cross obstacles of 0.7m. Sarath can be easily transported by air due to its low weight. Protected with armoured plates all around, it ensures a high degree of protection. It offers a chameleon like camouflage with the help of Smoke grenades.



CARRIER MORTAR TRACKED

CMT Vehicle is based on BMP-II Chassis. This turret less version has 81mm mortar mounted on the modified troop compartment. The mortar is fired through an opening in the hull roof that has two hinged doors. The stowage capacity is 108 rounds.



NBC-RV

Designed to meet the tactical requirements of Military Engineers for carrying out Nuclear, Biological & Chemical Contamination survey. Eleven sophisticated instruments fitted in the vehicle provide the real time data of contamination to Engineers.

AJEYA TANK T-72

CCPT is designed and developed for accomplishing all tactical / technical fire control functions to achieve effective deployment of Self-Propelled (SP) Artillery guns. It is the first of its kind with tracked chassis housing Artillery Combat Command and Control Systems (ACCCS) for accomplishing fire control functions of all the versions of Artillery guns, both towed & self-propelled versions. The CCPT is a re-engineered BMP vehicle with an extended chassis and additional bogie wheels. CCPT serves as a common platform for command post functions of all the Indian Artillery guns.





CRN-91 GUN

The Close Range Naval-91 is a naval version of the Medak 30mm automatic gun installed on a ship. It is manufactured by the Ordnance Factory Medak. The CRN-91 Naval gun is a gyro stabilized and is directed by electro-optic fire-control system (FCS) for day and night use, mounted on an improvised cupola. It can also be remotely operated.



MINE PROTECTED VEHICLE - 6x6

This vehicle is designed to provide unmatched protection to the soldiers in the battlefield. The superior blast and ballistic protection coupled with high powered mobility makes this vehicle a true combat armoured vehicle for soldiers.

SHARANG GUN

It is an upgraded version of in-service 130 mm Field Gun. The caliber of the gun has been upgraded from existing 130/46 mm to 155/45 mm. Besides caliber upgrade, the manual ammunition loading system of 130 mm gun has been mechanized by incorporating Ammunition Tray and Reamer Assembly which enhanced the operational efficiency of Artillery Regiment. VFJ has successfully delivered 26 SHARANG Guns to Indian Army, diversifying its product profile.



AERV

The Armoured Engineer Reconnaissance Vehicle (AERV) is an Indian military engineering vehicle developed by VRDE (Vehicle Research and Development Establishment) and being manufactured at Ordnance Factory Medak. It is designed to carry out terrestrial and riverbed survey to facilitate construction of assault bridges across water obstacles in both offensive and defensive operations in plain, desert and riverine terrain. It is equipped with specialized equipments including: echo-sounder, water current meter, laser-range-finder and GPS. On the left rear of the hull, a marking system with 80 rods is fitted.



UPGRADED MINE PROTECTED VEHICLE

This MPV is upgraded version of erstwhile MPV 4X4. Major upgradation includes Mobility, HVAC, Rear View Camera, Self Recovery Winch, Rotating Search Lights and Power Operated Rear view Mirror.

STALLION MK-IV

It is an in-service vehicle of Indian Army which is being produced at Vehicle Factory Jabalpur since 1998. More than 65000 Stallion Vehicles have been supplied to Armed Forces by Vehicle Factory Jabalpur (VFJ) which in itself speaks volumes about the quality and reliability that this vehicle offers in 5/7.5T weight category.



CHAFF DECOY LAUNCHER-KAVACH

KAVACH system is designed to counter the threats of various anti-ship missiles by using Chaff Decoys for optimum anti-missile defence technique. The system provides soft kill defence in three layered defence scheme.



V92S2 ENGINE FOR T-90

ELECTRONIC FUZES FOR ARTILLERY AMMUNITIONS

FUZE is a brain of any Artillery Ammunition. The New generation, modular and Multi-Function/Multi-Option electronic Fuzes using State - of-the art Technologies have been developed at AVNL. Electronic fuze so developed is having flexible design to adopt futuristic requirements and also provides double layer safety (Electronic and Mechanical). Electronic Fuze is one of the diversified products of the AVNL. Machine Tool Prototype Factory is producing the Electronic Fuzes, for various Artillery Ammunitions, meeting international standards MIL-STD-1316 & 331 and STANAG-4187.



MANUFACTURING CAPABILITY

Over the decades, AVNL continues to invest in state-of-the-art facilities harbouring world class capacities and capabilities. Our facilities include fully automated Forging, Metal Cutting and machining lines largest of its kind and among the best in industry.

Flexible Machining Centre (EFA)



EFA has got a flexible manufacturing system with 2 sets of (4+4) horizontal machining centres which is unique asset of this type in the country. It comprises of 8 machining centres, tool magazines, rail guided vehicles (RGV), automatic storage / retrieval system and a centralized computer. It enables the factory to achieve high volume of production of various critical structural elements of engines involving high precision and accuracy.



HEAVY DUTY & PRECISION MACHINING



METALLURGY



Forging Plant

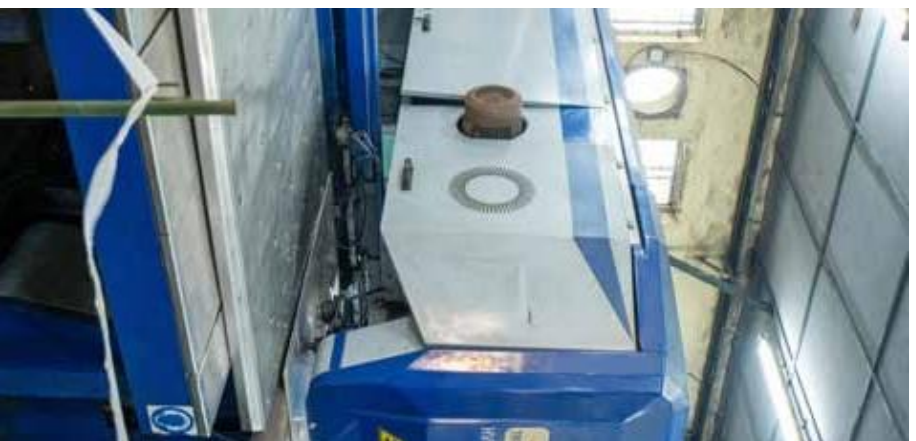


Foundry at OFMK



Forging Plant - HVF

METAL



THE FORCE BEHIND THE FORCES



ASSEMBLY



QUALITY



THE FORCE BEHIND THE FORCES



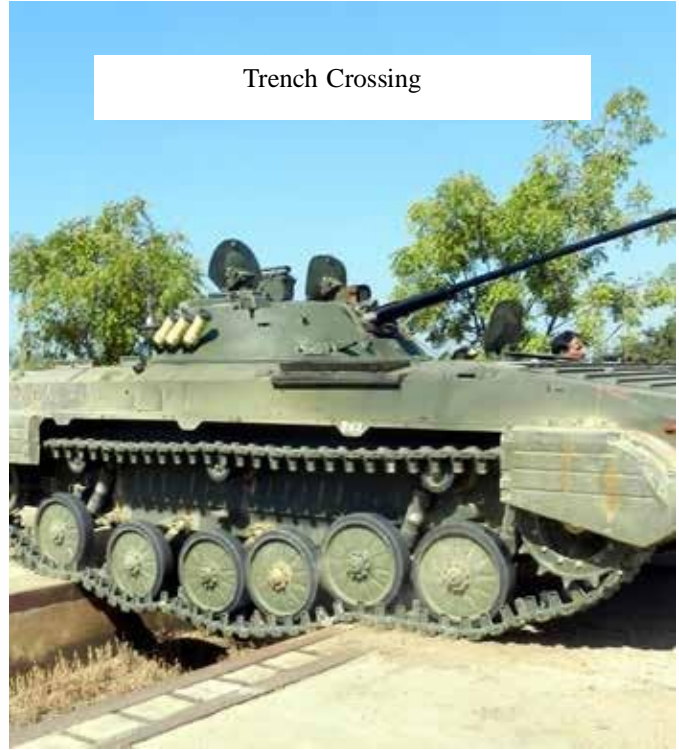
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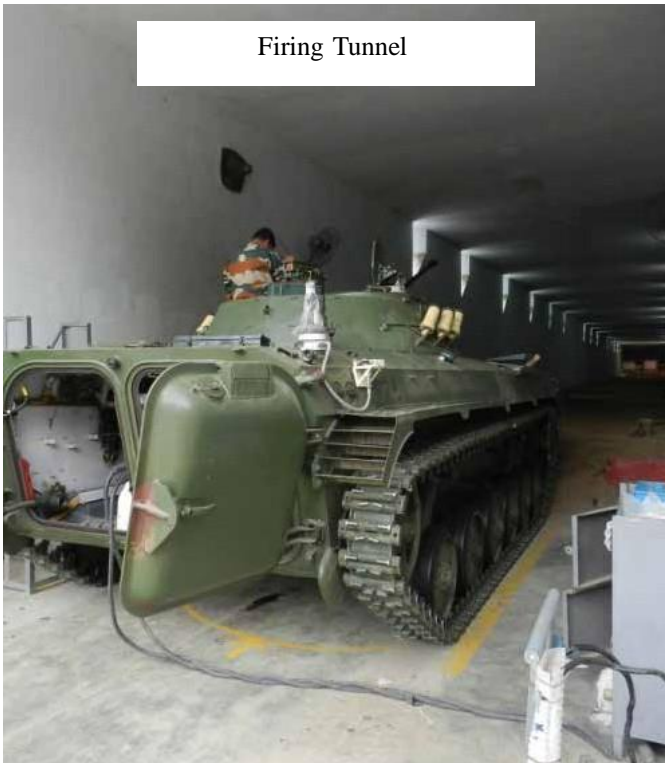
Gradient



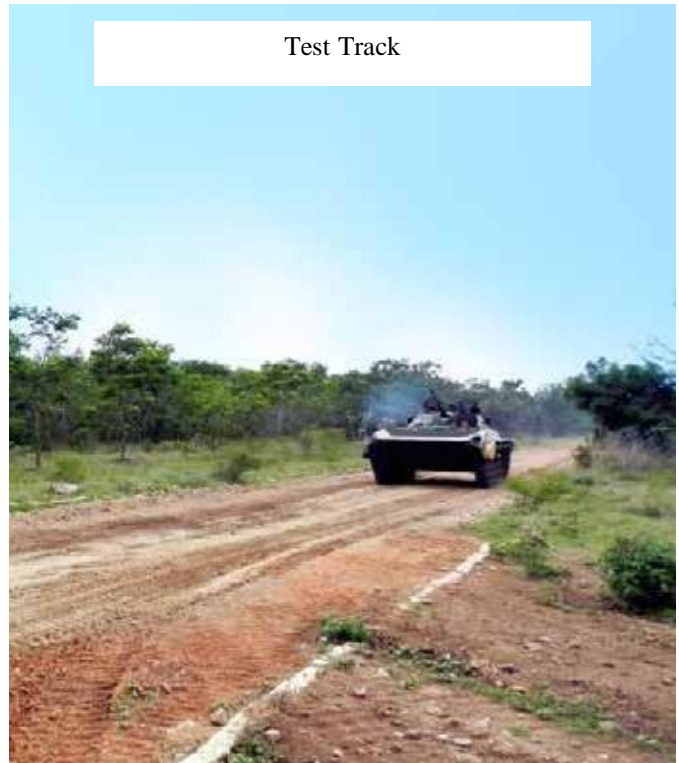
Trench Crossing



Firing Tunnel

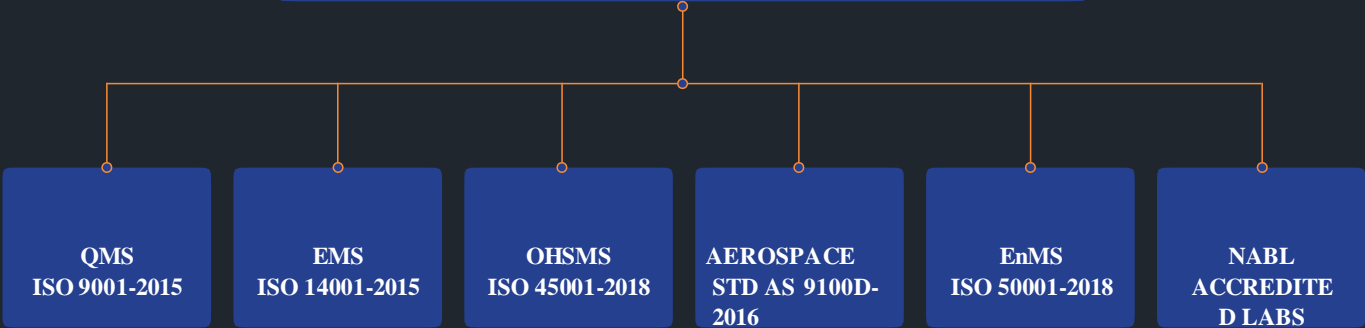


Test Track





OUR STANDARDS



CERTIFICATION (ISO+NABL)

AVNL will continuously strive to delight its customers with outstanding Quality of products and services. In this regard, we are accredited with ISO 9001-2000, AS9100D and ISO 9002. At AVNL, environment is also of prime concern, and we strive to use our resources more efficiently. AVANI is also accredited with EMS (ISO 14001-2015) and SAS certifications



RESEARCH EXCELLENCE

AVNL, being the OEM of the current fleet of Battle Tanks & Infantry Combat Vehicle (BMP-II) and possessing a colossal experience in manufacturing Armoured Vehicles and its variants for more than three decades, has acquired expertise on every system of the platform and has gained substantial domain knowledge of Armoured Vehicles of any class. Therefore, the domain of intellectual resource created at AVNL has gradually transformed from the 'Know-How' to 'Know-Why' and which is essentially priceless. Thus, AVNL has not only produced large number of Armoured Vehicles but also, successfully developed its variants & new products namely; BLT (T-72), Trawls (T-72), Armoured Ambulance, AERV, CCPT, CMT, MBT-Arjun in association with DRDO and Indian Industry.

The innovation has always been a key factor for the growth and survival of an organization, and AVNL is not an exceptional either. Therefore, AVNL has given a paramount importance to R&D and innovation by investing its resources in developing new platforms and technologies by synergizing the knowledge-base available in the industry and academia. Aligning its policies with initiatives of Government of India, AVNL is playing crucial role in encouraging start-ups by offering new-challenges under iDEX (Innovation for Defence Excellence) and hand-holding them during the development of new technologies and products.

With the technical prowess acquired over decades and synergy of industry, AVNL has upgraded its products to improve the operational parameters and modernizing the military equipments under AVNL product profile. Recent trends indicate rapid strides are being made by countries over the globe in utilizing Artificial Intelligence (AI) and IoT based technologies for development of Next Generation of weapon Platforms. Taking cognizance of this fact, AVNL has started undertaking development of products of Next Generation for the Armed Forces.



REIMAGINING THE FUTURE



TOOLING & ENGINEERING

INFRASTRUCTURE

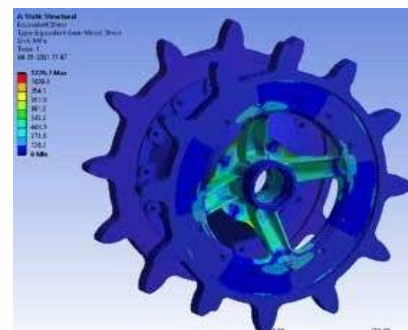
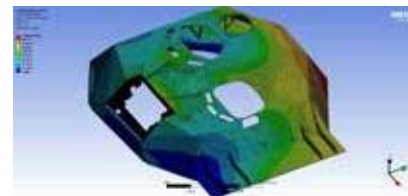
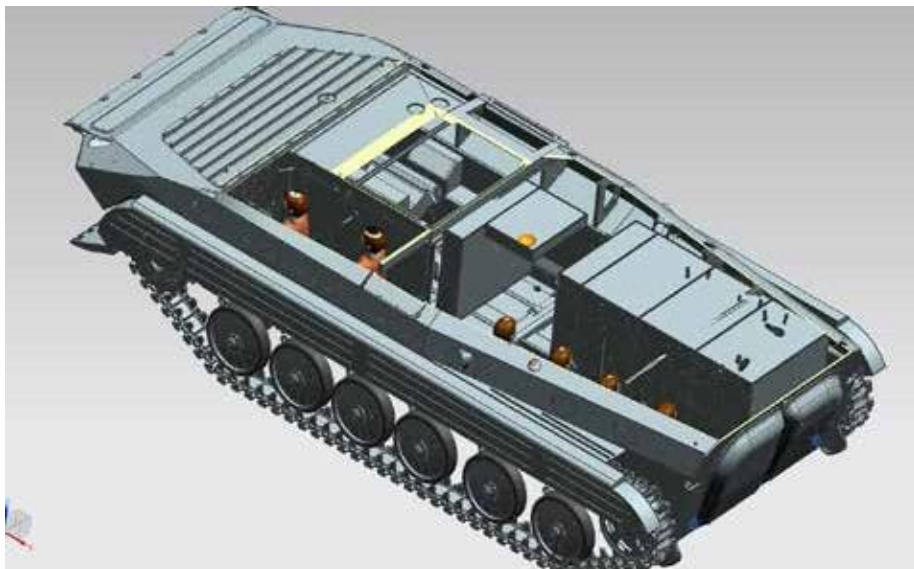
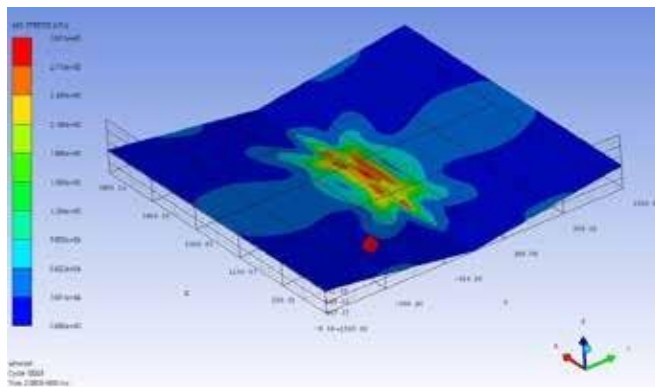
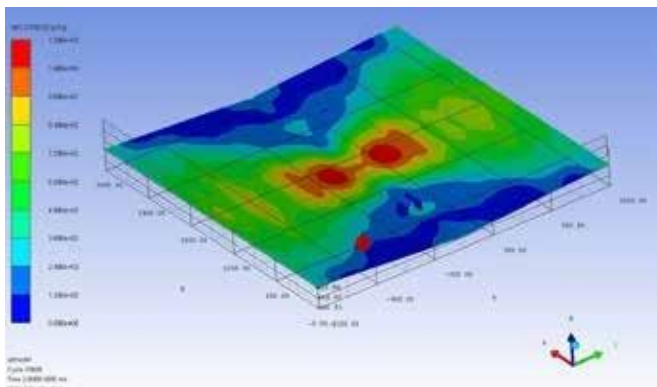
RE UG NX-10

ABAQUS

ANSYS

LS-DYNA

AUTO



SERVICES FOR CUSTOMERS



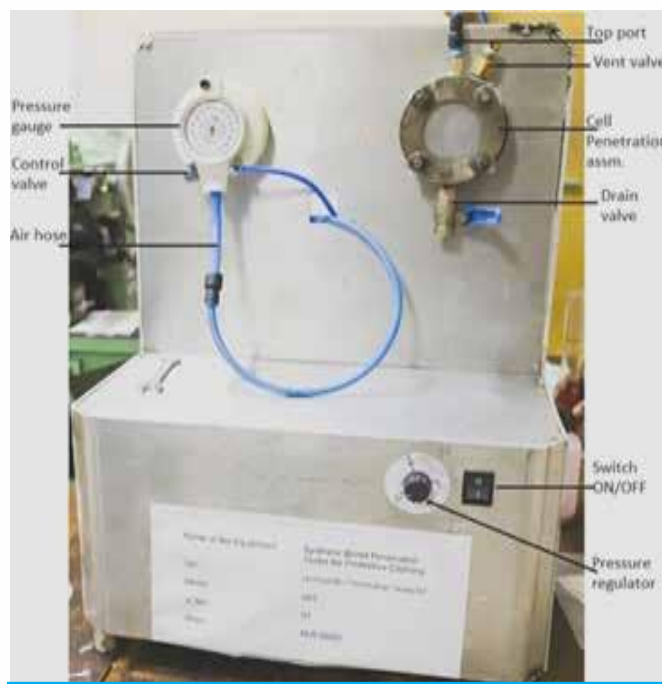
- AVNL institute of learning Avadi continuously imparts training to Army personnel for operation and maintenance of Armoured Vehicles.
- All the units regularly hold User Interaction Meet at forward locations to interact and collect first-hand information about quality of products supplied by them.



FIGHTING COVID-19 PANDEMIC

HVF developed equipment for testing blood penetration resistance of fabric for PPE (Personal Protection Equipment) to augment testing capacity in the country which was available only with SITRA, Coimbatore. This was also accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

- MTPF contributed by taking up design and manufacturing of ventilator
- OFMK took up the repair of ventilators lying nonfunctional in various hospitals in Hyderabad.
- Units also contributed by taking up manufacture of sanitizer, mask and donated to front-line workers



PARTNER IN NATIONAL CELEBRATION

All the 5 units of AVNL organized defence exhibition in four locations as part of celebration for AZADI KA AMRIT MAHOTSAV. Exhibition was well appreciated by general public and drew massive crowds and was a big success.





NOTICE

NOTICE is hereby given that 1st Annual General Meeting of the Members of Armoured Vehicles Nigam Limited (CIN: U35990TN2021GOI145504) will be held on Wednesday, 28.12.2022 at 3.00 p.m. through Video Conference (“VC”)/ other Audio Visual means (“OAVM”) at the Registered office of the Company situated at HVF Road, Bhakthavatsalapuram, Avadi, Chennai – 600 054 to transact the following business

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements comprising the Balance sheet of the Company, statement of Profit & Loss etc., for the year ended 31.03.2022 along with the Auditors reports thereon and comments of the Comptroller and Auditor General of India u/s 143 (6) of the Companies Act, 2013.
2. Auditors remuneration
 - a. To ratify the remuneration of Rs. 6,00,000 to the Statutory Auditors for the Financial year 2021-22 and
 - b. In terms of provisions of Section 142 of the Companies Act, 2013, the remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the Members may authorize the Board to fix the remuneration of the Statutory Auditors of the Company for the financial year 2022-23, as they may deem fit.

SPECIAL BUSINESS

3. ***To Appoint Shri. C Ramachandran (DIN: 09315439) as Director (Finance) of the Company and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION***

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri. C Ramachandran (DIN: 09315439), who was appointed as Director (Finance) by the President of India vide Ministry of Defence ID No. PC-I to 1(5)/2021/OF/DP (plg-V) dated 4.08.2021 and subsequently appointed as an Additional Director by the Board of Directors with effect from 15.09.2021 and holds office up to the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director (Finance) on the same terms & conditions as laid down by the Govt. of India.”

4. ***To Appoint Shri. Anurag Bajpai (DIN: 08948155) as Government Nominee Director of the Company and in this regard to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION***

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri. Anurag Bajpai (DIN: 08948155), who was appointed as Nominee Director by the President of India



vide Ministry of Defence letter dated 30.11.2021 and subsequently appointed as an Additional Director by the Board of Directors with effect from 30.11.2021 and holds office up to the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Nominee Director, on the same terms & conditions as laid down by the Govt. of India..”

By order of the Board

ARMOURED VEHICLES NIGAM LIMITED

Place: Chennai
Date: 6.12.2022

-Sd/-

Geethalakshmi B V
Company Secretary

NOTES

1. The 1st Annual General Meeting ('AGM') of ARMOURED VEHICLES NIGAM LIMITED is to be held through Video Conferencing in compliance with General Circular No. 2/2022 dated 5.05.2022 issued by Ministry of Corporate Affairs, wherein the Companies have been allowed for holding their AGMs through Video Conferencing on or before 31.12.2022. In view of the same the registered office of the Company shall be deemed to be the venue of the AGM.
2. Accordingly, Notice of the AGM along with the Annual report for FY 2021-22 is being sent by electronic mode to those members whose e-mail address is registered with the Company, unless any member has requested for a physical copy of the same.
3. Since the AGM is held through VC/OAVM, route map to the venue is not required and therefore, the same is not annexed to this Notice.
4. The link of the meeting will be sent to registered E-Mail IDs and Mobile Numbers of Shareholders prior to the Meeting.
5. Members who have not yet registered their e-mail id or who want to change their e-mail id are requested to approach the Company so as to receive all communications electronically including Annual Report, Notices etc. sent by Company from time to time.
6. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the AGM is annexed hereto. The Board of Directors have considered and decided to include the Item No. 3 and 4 given above as Special Business in the forthcoming AGM.
7. The Shareholders may please write to the email-id cs@avn1.co.in or can contact Smt. B.V. Geethalakshmi (Company Secretary) Tel no. 044-26383319, 26383601, 4784 for any queries/ complaints/ grievances.

7. Since the general meeting will be held through VC or OVAM physical meeting of members has dispensed with, there is no requirement of appointment of proxy. Accordingly, the facility of appointment of proxies by members will not be available for this meeting issued by MCA vide its circulars 14/2020 and 20/2020.
8. In Pursuance of Section 112 of the act, representatives of the Hon'ble President of India (member) may be appointed for the purpose of participation and voting in the meeting held through VC/OAVM and such authorization can be shared through electronic mode.
9. The voting of the meeting shall be conducted by show of hands unless a poll in accordance with section 109 of the Companies act, 2013 is demanded by any member. Results on the resolutions proposed to be passed at the meeting will be declared by the Chairman after transacting each of the agenda item.
10. The members can pose their questions concurrently at the meeting or they can submit the questions or queries regarding the agenda item on the designated email address through which the notice has been sent.
11. The Members are requested to adhere to the following General Guidelines during the meeting in order to ensure smooth virtual meeting
 - Members/invites are requested to join the meeting at least 15 minutes in advance through the link which is sent to your respective email Id.
 - No Person other than invited participants should have access to this e- meeting.
 - At the start of the meeting please keep your video on so that the Company secretary can complete the roll-call.
 - The Company secretary will undertake the roll call to seek a confirmation on presence of all the Members/ invitees/Directors.
 - The entire meeting proceedings will be recorded.
 - Every participants shall identify himself/herself at the time of making speaking on any query.
 - Please ensure the WIFI/Dongle/hotspot/Router etc is up and running with good speed during the whole duration of the meeting to enable participation efficiently.
 - In case of any loss of signal/drop out due to any technical glitch please re-join and confirm your presence at the earliest.
 - If member/invitee need any assistance during the meeting he/she can reach out in the Help line number: Secretarial Team - 044-26843601.



ANNEXURE TO THE NOTICE

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

In respect of Item No.3

Shri. C Ramachandran (DIN: 09315439) was appointed as Director (Finance) of the Company by the President of India vide Ministry of Defence Order ID No. PC-I to 1(5)/2021/OF/DP (plg-V) dated 4.08.2021. However due to the constraints on the maximum number of Directors to whom a Director Identification Number (DIN) can be allotted at time of Incorporation Shri. C Ramachandran could not be appointed as Director at the time of the Incorporation.

After obtaining DIN, Shri. C Ramachandran has been appointed by the Board of Directors in their meeting held on 15.09.2021.

In terms of Article 58.5 of the Articles of Association of the Company and applicable provisions of the Companies Act, 2013 (“the Act”), the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Act and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Approval of the Board of Directors was obtained vide Board meeting held on 15.09.2021 for the appointment of Shri. C Ramachandran (DIN: 09315439) as an Additional Director w.e.f. 15.09.2021 as per provisions of Section 161 of the Act to hold office upto the date of the ensuing Annual General Meeting or till the date of his superannuation or until further orders, whichever is earlier. In accordance with the Ministry of Corporate Affairs’ Notification dt. 05.06.2015, the requirement regarding submission of notice signifying the intention for appointment of an individual as a Director along with deposit of one Lakh rupees (as contemplated under Section 160 of the Companies Act, 2013) is exempt for AVNL, being a Government owned Company.

In accordance with Ministry of Corporate Affairs’ Notification dt. 13.06.2017, the provisions of Section 152 of the Companies Act, 2013 relating to retirement of Directors by rotation are not applicable to AVNL, being a Govt. owned Company.

Shri. C Ramachandran (DIN: 09315439) does hold any equity share in AVNL as a nominee of Ministry of Defence, Govt. of India. None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri. C Ramachandran (DIN: 09315439), is in any way, concerned or interested, financially or otherwise, in the resolution.

Further details / Brief resume of Shri. C Ramachandran (DIN: 09315439) as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings are provided in Annexure A. The

Board recommends the resolution for the approval of the members.

In respect of Item No. 4

Shri. Anurag Bajpai (DIN: 08948155) was appointed as Nominee Director of the Company by the President of India vide Ministry of Defence letter dated 30.11.2021. In terms of Article 58.6 of the Articles of Association of the Company, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Approval of the Board of Directors was obtained vide Board meeting held on 27.01.2022 for the appointment of Shri. Anurag Bajpai (DIN: 08948155) as an Additional Director w.e.f. 30.11.2021 as per provisions of Section 161 of the Act to hold office upto the date of the ensuing Annual General Meeting or till the date of his superannuation or until further orders, whichever is earlier.



In accordance with the Ministry of Corporate Affairs' Notification dt. 05.06.2015, the requirement regarding submission of notice signifying the intention for appointment of an individual as a Director along with deposit of one lakh rupees (as contemplated under Section 160 of the Companies Act, 2013) is exempt for AVNL, being a Government owned Company.

In accordance with Ministry of Corporate Affairs' Notification dt. 13.06.2017, the provisions of Section 152 of the Companies Act, 2013 relating to retirement of Directors by rotation are not applicable to AVNL, being a Govt. owned Company.

Shri. Anurag Bajpai (DIN: 08948155) does hold any equity share in AVNL as a nominee of Ministry of Defence, Govt. of India. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

Further details / Brief resume of Shri. Anurag Bajpai (DIN: 08948155) as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings are provided in Annexure A. The

Board recommends the resolution for the approval of the members. To

All Shareholders of AVNL

Copy to

- (i) All Directors of AVNL
- (ii) Secretary to the Govt. of India, Ministry of Defence
- (iii) T.G. Sukumaran & Co, Statutory Auditors

By order of the Board

ARMoured VEHICLES NIGAM LIMITED

-Sd/-

Geethalakshmi B V

Company Secretary

Place: Chennai

Date: 6.12.2022

Annexure A

Statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings Brief

resume of Director seeking appointment/re-appointment

Name	Shri. C Ramachandran	Shri. Anurag Bajpai
DIN	09315439	08948155
Date of Birth	09.04.1965	13.07.1970
Qualifications	He holds post graduate Diploma in Business Management (1998) from Indian Institute of Management, Kolkata. He also is an alumnus of Indian Institute of Technology, Mumbai where he studied for his M.Tech (1988) in Industrial Management. He has studied Electrical Engineering from University of Jabalpur (1986), Madhya Pradesh	He holds Post Graduate in MA (Economics), Indian Forest Services (IFS).
Experience / Expertise in specific functional areas	<p>During past 32 years in OFB Organization, he has served in 8 Units/Establishments of OF Organization and has acquired deep domain knowledge in several fields including Production & Operations Management, Materials Management, IT, Administration and several related fields of Management Sciences.</p> <p>His most recent assignment has been in New Delhi Office of Ordnance Factory Board and as Deputy Director General (COORDINATION), OFB New Delhi Office, which coordinates between OFB Kolkata and DDP, MOD, Army, Navy, Air Force, MHA, UPSC, DOPT, MEA, MSDE and others government organizations in New Delhi.</p>	<p>Mr. Anurag Bajpai belongs to the 1994 batch of Indian Forest Service. A Post Graduate in Economics, Financial Management and Mass communication, he has international exposure in forestry, environment policy, energy, women empowerment and global governance. He has worked on a project for the Food and Agriculture Organization (FAO), Rome, and travelled 32 countries, gaining experience in policy planning and administration.</p> <p>Mr. Anurag Bajpai was instrumental in bringing reforms in forestry clearance and formulating the first Wind Energy Policy of India. He has played an active role in Skill Development, Education, Infrastructure Development and Women Empowerment. He has served as Asstt. Inspector General of Forest, Dy. Secretary and Director in M/o Environment, Forest & Climate Change, M/o Tribal Affairs and M/o Minority Affairs, respectively, in his previous terms.</p>

		<p>In his parent cadre, i.e. Manipur, he has held senior positions and gained administrative experience. He has served in Forest & Environment Department and Deptt. of Textiles, Commerce and Industries. Before joining the Deptt of Defence Production in MoD, Govt. of India as Joint Secretary, he was Addl.</p> <p>Principal Chief Conservator of Forests in Forest Department and CEO of Mission for Economic Empowerment of Traditional Artisan & Craftsmen (MEETAC) in Deptt. of Commerce and Industries in Manipur.</p>
Date of first appointment on the Board	15.09.2021	27.01.2022
Shareholding in the Company	NIL	NIL
Relationship with other Directors, Manager and KMP of the Company	NIL	NIL
Directorship held in other Companies	NIL	BEL, MIDHANI, IOL, BDL, MDSL
Number of Board Meetings attended during the Financial Year 2020-21	Attended 6 meetings out of 6 meeting held during his tenure as Director in the financial year 2021-2022.	Attended 2 meetings out of 3 meeting held during his tenure as Director in the financial year 2021- 2022.

2 STATUTORY REPORT

BOARD'S REPORT

To

The Members,

Armoured Vehicles Nigam Limited

Your directors have pleasure in presenting their First Annual Report on the business and operations of the ("Armoured Vehicles Nigam Limited or AVNL") company together with the Audited Financial Statement of Accounts for the year ended 31.03.2022 together with the reports of statutory auditors and the Comptroller and Auditor General of India (C& AG) thereon.

Financial Performance & Highlights

Particulars	For the year ended 31.03.2022 (Rs. In Lakhs)
Revenue from Operations	2,56,926.13
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	16,154.60
EBITDA Margin (EBITS/Revenue from Operations (Net))	6.29%
Profit After Tax	5419.29
Inventory Turnover (No. of days)	220 days
Trade Receivables Turnover	4 days
Current Ratio	1.83
Debt Equity Ratio	0.38

Products of AVNL

Principal products of AVNL are Ajeya T-72 Tank, Variants (BLT & Trawl), Bhishma T-90 Tank, Main Battle Tank Arjun., Sarath BMP-II and their variants such as Carrier Mortar Tracked (CMT), Carrier Command Post Tracked (CCPT), Armoured Engineering Reconnaissance Vehicle (AERV), Armoured Ambulance Tracked (AAT), Closed Range Naval Gun (CRN) 91, Stallion 5/7.5 Ton, LPTA 2.5 Ton, 2KL Water Bowser, Customized Bullet Proof Vehicles and Mine Protected Vehicles (4x4 and 6x6), Upgunning Sharang M46 gun from 130 mm to 155 mm, diesel engines for Armoured Fighting Vehicles (AFV) namely UTD-20 for BMP-II Sarath, V46-6 for Ajeya T-72 Tank, V92S2 for Bhishma T-90 Tank, Electronic Fuse and Kavach MOD II for Naval Ships.

Production Performance of 2021-22 (From 01.10.2021 to 31.03.2022)

Rs. in Lakhs

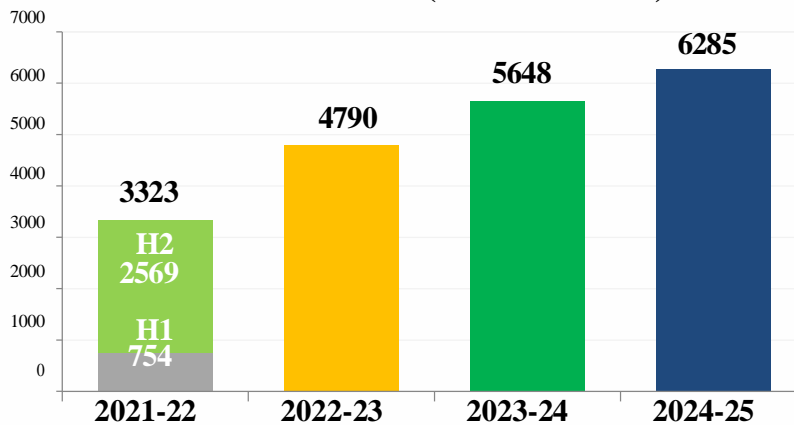
S.No	Month	Value for the month (Excl taxes) Rs.	Cumulative Value(Excl taxes)
1	Oct	309.13	309.13
2	Nov	202.17	511.13
3	Dec	453.17	964.47
4	Jan	530.49	1494.96
5	Feb	437.67	1932.63
6	Mar	636.63	2569.26

Highlights





YEAR WISE GROWTH PLAN FOR NEXT FOUR YEARS (IN Rs. Crores)



EXPORT

AVNL has executed the first export order for requirement of 14.5 mm Artillery Trainers to Egypt in Feb, 2022.



For promotion of export activities, AVNL has taken up with various Channel Partners and Defence Attaches to get the export leads. These leads and also the leads received through DefExim portal are being immediately responded. Further, Export Promotion cum Marketing Cells have been formed in each factory for immediate response to the enquiries.

ACHIEVEMENTS

AVNL started with healthy order book of more than Rs. 30,000 Crores. Subsequently AVNL obtained the Order of 118 Nos. of MBT Arjun-1A of worth around Rs. 9,000 Crores.

AVNL has recorded sales of Rs. 2569 Crores during H2 of Year 2021-22 i.e. Oct-21 to Mar-22, a substantial higher achievement compared to Rs. 754 Crores during H1 of Year 2021-22 i.e. Apr-21 to Sep-22. AVNL has recorded a profit after tax of Rs. 54.19 Crores during Oct 2021 to Mar 22.

As on this date of report AVNL has a robust order book of Rs.37,006 Crores. As per its long term corporate plan; AVNL shall strive to double its turnover in the next 3 years from the current level of around Rs. 3,300 Crores to around Rs. 6,300 Crores per year and position itself as a global Armoured Vehicle brand in the next 10 years.



Quality

Post Corporatization, AVNL has put in various stringent Quality Assurance/Quality Control procedure in their 5 Units/Factories. Some of the measures are as follows.

Quality Assurance Methodology

- i. Characteristic/performance check
- ii. Reliability/endurance check
- iii. Surveillance, Quality Audit (Process and Product) check

Also, various quality assurance audits like process audit, document audit, surveillance audit, audit of input material and in-house manufacturing process, QAPs etc are part of internal quality system.

Dedicated Quality control personnel have been posted at various stages of production/manufacture in the units. The process of QC starts right from input material to the production/manufacture of the product.

Also, QC reports, test reports, inspection reports etc are issued by the QC in the units at every stage of the manufacturing process. Whenever a quality issue is noted, CAPA (Corrective and Preventive Action) mechanism is put in place to ensure that the issue/defect does not recur.

In order to have quality products as per laid down procedures, various test equipment, jigs, fixtures, tools have also been positioned to ensure that all the parameters and specifications are met. Necessary calibration of the test equipments, jigs, tools are also carried out in a periodical manner and test reports for the same are issued wherever necessary.

As the units under AVNL are manufacturing Armoured Vehicles, the final product has to pass through Final Acceptance Inspection (FAI), Acceptance Test Procedure (ATP) formulated with Director General of Quality Assurance (DGQA) for carrying out the same.

Atmanirbhar Bharat Initiatives

AVNL Units manufacture Armoured Fighting Vehicles viz Battle Tanks, Infantry Combat Vehicle (ICV), Mine Protected Vehicles (MPV), Logistic Vehicles etc. It is pertinent to mention that the military logistic vehicles and mine protected vehicles are completely indigenous manufactured. The indigenization percentage level of armoured tanks i.e. T-72 tank, T-90 tank and BMP-II (ICV) are 96%, 80% and 98.5% Respectively.

For all the items / Line Replacement Units (LRUs) which are not yet indigenized, actions for indigenization have already been initiated. The Source Development Orders / Project Sanction Orders under Make-II have been issued and products are under design & development for test & trials. As on this date of report, total 6 LRUs as under have already been indigenized are as follows:

- a. Electric Motor (T-90)
- b. Decontamination Set (TDP SET) (BMP-II)
- c. Starter Generator 18KW (T-90)
- d. Link Loading Machine Assy (T-72, T-90)
- e. Gyro Drift Indicator GPK-59 (BMP-II)
- f. Cooling System (T-90)



Based on the indigenisation efforts taken up by AVNL, around Rs.3.65 Crores/- has been saved towards foreign exchange outgo.

Research & Development

As on this date of balance sheet, there are 33 ongoing projects valuing Rs. 295 Crores/-. These projects are under various stages of development. Few of the important ongoing Projects are listed below:

- i. Futuristic Infantry Combat Vehicle
- ii. Armoured Vehicle Tracked Light Repair
- iii. Development of MPV
- iv. Upgrading of 780 HP Engine to High power engine
- v. Upgrading of UTD 20 Engine

AVNL is vigorously exploring taking up of futuristic projects which are under nascent stage. Few of the projects are as under:

- i. Futuristic Infantry Combat Vehicle (FICV)
- ii. Hybrid Tracked Armoured Vehicle
- iii. Wheeled Armoured Fighting Vehicle

Industry 4.0

AVNL units are manufacturing the products under automation system. Also, efforts are on to fully automise Plant and Machinery to ensure optimum production with better quality within specific time period. AVNL has ensured computerised handling of materials and stores, processing, manufacturing, assembly and final issue of products by engraving data/information in the computer.

AVNL is also taking efforts to modernise Plant and Machinery and manufacturing process as per industry 4.0 specifications.

Dividend

As per the guidelines issued by Department of Investment and Public Asset management (DIPAM), every CPSE would pay a minimum of annual dividend of 30% of PAT or 5% of net-worth whichever is higher subject to maximum of dividend permissible under the Companies act, 2013.

As AVNL is newly formed company and is in the process of stabilizing its operations, the surplus generated during FY 21-22 are proposed to be transferred to the free reserves and surplus of the company. In case of any specific instructions received from MOD, the same will be suitably followed.

Amount transferred to reserves

AVNL has earned a PAT of Rs.54.19 Cr for the FY ended 31.03.2022. The Board of Directors has decided to transfer the profit to free reserves as being the first year of incorporation, the entire profit of this financial year 2021- 22 is retained for requirement of future developments and sustainability of Company's operation..

Capital Structure

The Authorised capital of the Company is Rs. 12,500 Crores/- (1250 Crores/- equity shares of Rs. 10/- each). The Paid up capital of the Company as on 31.03.2022 stood at Rs. 444.53 Crores/- (444,530,000 equity shares of Rs. 10/- each).

Rights Issue

During the year, Ministry of Defence has allocated Rs. 444.52 Crores/- to meet Company's Committed Liabilities Accordingly, AVNL has apportioned the money in Equity shares through Rights Issue of Rs. 444,52,00,000 (444,520,000 equity shares of Rs. 10/- each) to GOI. As on this Date of report GOI is holding 99.99% of the total shares of the Company.

Modernisation

Infrastructure enhancement is one of the major objectives of the Company to stay upgraded for global opportunities and to be the best in the business. Modernisation of various units under AVNL are carried out in the following areas:

1. Replacement of existing old machines with new State-of-the-art machines and Equipment
2. Augmentation in existing production capacity

AVNL units are in tune with the latest Indian and Global market undertakes replacement of old and obsolete machines with high technology productive machines

which provide the flexibility of multiple operations, advantages of reduction in setup and changeover time and have ability to perform various operations in a single set up. The efforts have been taken in the past to modernise the infrastructure with an aim to create broad and versatile production base having state of the art manufacturing facilities to meet the requirement of diversification needs

Also MoD has sanctioned projects to augment the capacity of T-90 tanks, capacity of engines and also to augment production capacity of T-72 variants and spares of T-90. Some of the major machines purchased for modernization include

1. Flexible manufacturing System (FMS)
2. CNC Plano Milling Machines
3. CNC Gear Hobbing Machine
4. CNC Gear Shaping Machine
5. 3D Co-ordinate Measuring Machine (CMM)

New augmented facilities (project) completed are;

1. Augmentation of Production Capacity of Spares for over hauling of T-72 & T-90 Tanks – Project completed in Oct 2019.
2. Creation of Facilities for production of T-72 Variants @ 50 Nos per Annum – Project completed in Feb 2020.
3. Augmentation of production capacity up to 750 (OE) Engines per annum - project completed in Feb 2022.

During the year under review, the Company had spent around Rs 203.85 Crores/- as part of its capex investment towards modernisation of plant & machinery, civil works etc.

Information Technology Initiatives

AVNL Corporate Office has installed 2 nos of VC display with interactive touch screen for video conferencing and integrated with license version of WebEx and Microsoft

teams for external world collaborations. New email servers are being implemented for business.

Company's Website: AVNL has launched its newly built website, www.avnl.co.in, both in English & Hindi languages which gives comprehensive information including the details of History, Corporate Governance, Business, Facilities, Vision, Mission, Values, Career, Product and Services, Training and Development, Board of Directors, Vigilance, RTI, Investors and other updates and news.

Information Technology (IT) Initiatives: AVNL CO has initiated to implement Enterprise Resource Planning

Human Resources

“You can be any business, but you shall always be in the business of people.”

Your company commenced its operations w.e.f. 1.10.2021 and has a total strength of 11,799 employees as on 31.03.2022. These employees are on deemed deputation from the erstwhile OFB units. Till such time the employees remain on deemed deputation to the new DPSUs, they shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions.

They are in various categories like Group-“A” Officers [Group-A (GOs)], Group-“B” Officers [Group-B (GOs)], Group-“B” Non-Gazetted Officers [Group-B (NGOs)], Non-Industrial Employees [NIEs] and Industrial Employees [IEs]. Out of these 11,799 employees, 637 are female employees. Your company has been complying with the Presidential Directives on reservation policy for Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC) and Persons with Disabilities (PWD) etc. issued by the Government of India from time to time, providing for certain percentages of reservation in recruitment and promotions. Being a New Company, no Direct Recruitment took place during the year 2021 – 22.

HR PROFILE

Number of Employees in different categories are as here under:

(a) Category-wise details of Female Employees

Category	Employees		Total Employees
	Male	Female	
Group-A (GOs)	216	16	232
Group-B (GOs)	1277	122	1399
Group-B (NGOs)	977	59	1036
NIEs	809	293	1102
IEs	7883	147	8030
TOTAL	11162	637	11799

(b) Categories of SCs/STs/OBCs/PWD Employees

Category of Employees	Group-A (GOs)	Group-B (GOs)	Group-B (NGOs)	NIEs	IEs
Scheduled Caste	45	235	192	249	1852
Scheduled Tribe	21	129	61	76	597
Other Backward Classes	41	325	273	290	2991
Ex-Servicemen	0	23	1	19	84
PWD	9	39	19	24	235



Grievance Redressal System for SCs/STs and Public Grievance Redressal Through CPGRAMS

Your Company has designated Liaison Officers [a representatives of SC / ST Employees] in the category of Group-A (GO) in all units including the Corporate Office to redress the grievances / issues appropriately.

The Department of Administrative Reforms and Public Grievances under the Ministry of Personnel, Public Grievances and Pensions has established Centralized Public Grievance Redress and Monitoring System (CPGRAMS). Your Company has nominated Nodal Officers in all units including the Corporate Office in the category of Group-A (GO) to deal with various public grievances and to ensure prompt and proper resolution of their grievance.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. ***'Equal Opportunity Policy'*** has been formulated and approved by the Board which prevents any kind of discrimination and harassment including sexual harassment. The Company complies with the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder and the directions issued by Government of India instructions in letter and spirit.

Internal Complaints Committees have been constituted in all its constituent units, including the corporate office to redress complaints relating to sexual harassment. Various awareness programmes are conducted to sensitize employees and also to uphold the dignity of their colleagues to prevent sexual harassment at the work place.

Compliance under Rights of Persons with Disabilities Act, 2016 (RPwD)

The Company extended all necessary relaxation/ concession to employees with disabilities as per the statute/ Govt. directives. As mandated under the Act, ***'Equal Opportunity Policy'*** has been formulated and approved by the Board which prevents any kind of discrimination. The Policy has been uploaded on the Company's Website (www.avnl.co.in).

Vigilance

The Vigilance set up has been established in the Company as per the guidelines of the Central Vigilance Commission (CVC). The corporate vigilance is headed by a Chief Vigilance Officer (CVO) with supporting Officers and staff under him. Separate Vigilance Officers are designated in each unit for the smooth functioning of unit level vigilance. Since it is a newly formed DPSU, the vigilance unit headed by the CVO, functioning under the Directorate of Ordnance (Coordination & Services), Kolkata is controlling the vigilance activities of AVNL.

Preventive Vigilance

The focus of AVNL is on preventive vigilance. The vigilance department examines high-value procurements on a regular basis and conducts surprise inspections. Anomalies found, if any, are informed by the CVO to the top management for necessary and appropriate improvements in the system and serious issues, if found any, are brought to the knowledge of the Ministry and CVC for advice on initiating Regular Departmental Action (RDA). All complaints received in Vigilance are handled as per CVC's complaint handling policy. Apart from investigations on received, verified & registered complaints, vigilance department is conducting periodic inspections, surprise checks, CTE type intensive examinations, regular scrutiny of Annual Immovable Property Returns (AIPRs) etc. to boost up preventive Vigilance.

Vigilance clearances to employees in cases of promotion, deputation, outside employment, confirmation, foreign visits, for postings in sensitive areas etc are being given online by this department for final clearance to be issued by Vigilance/DoO (C&S), Kolkata.

‘Vigilance Awareness Week’ is celebrated every year as guided & directed by the CVC through their circulars. AVNL Corporate Office and all its units observed ‘Vigilance Awareness Week 2021’ as per CVC guidelines.

Integrity Pact

Integrity Pact is a tool aimed at preventing corruption in public contracts/procurement developed by Transparency International (TI), an international NGO. The Integrity Pact is an agreement between the Principal and Bidder for a public contract, binding both parties to ethical conduct. It contains rights and obligations to the effect that both sides will be transparent in their dealings, that neither side will pay, offer, demand or accept bribes, that bidder will not collude with competitors to obtain the contract, etc.

Armoured Vehicles Nigam Limited (AVNL), despite being a new Defence Public Sector Undertaking, has striven to be a gold standard in good corporate governance with its unimpeachable commitment to honesty, integrity, transparency, accountability, professionalism and ethics in all its business conduct, transaction, behaviour and culture. In line with this business philosophy, AVNL has also adopted Integrity Pact. At present the pact is an integral part of all Tenders/Contracts & Long Term Agreements valuing above Rs 5 Crores/-. In tenders where Integrity Pact is involved, AVNL sends the IP duly signed in advance to the bidders who are required to sign the Pact and submit it with their bids. Bids received without the duly signed IPs are rejected. In all Tenders covered under Integrity Pact, Name and email ID of all IEMs is mentioned.

For monitoring of Integrity Pact, the following Independent External Monitors (IEM), have been appointed after approval of Central Vigilance Commission:

1. **Shri. Nathu Lal Meena, ILS (Retd.)**
Ex-Secretary to Govt. of India
2. **Shri. Shyam Nandan Prasad (Retd.)**
EX-Director/Coal India Limited

Whistle Blower Policy

Vigilance/AVNL is having a Whistle Blower Protection Policy in accordance with CVC guidelines on Public Interest Disclosure and Protection of Informers Resolution (PIDPI/PIDR). Under the PIDPI Resolution, Central Vigilance Commission is the designated agency to receive complaints from whistle blowers and the identity of the whistle blower is protected. Chapter IV of CVC Vigilance Manual (updated 2021) describes the mechanism to lodge complaints under Whistle Blower Policy and to get protection from victimisation.

Particulars of Contracts or Arrangements with Related Parties

There were no materially significant related party transactions with the Company’s Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. However, Information pursuant to Section 134(3) (h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is attached to this report as Annexure -I

Corporate Governance

“

AVNL endeavors to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning. These are vital to achieving our vision of becoming world class Armoured Vehicles Manufacturer and a trusted Global Brand for domestic and International Customers.

”



Corporate governance is the system of rules, policies, practices, processes and above all principles by which a Company is directed and controlled. While acknowledging the primacy of the shareholders, corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, customers, suppliers, financiers, the government, and the community. The basic principles of corporate governance are accountability, transparency, fairness, and responsibility. Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, ethical behaviour thereby supporting stronger growth and more inclusive societies.

A Compliance Certificate from the Practising Company Secretary on Corporate Governance has been placed at Annexure II to this Report.

Code of Business Conduct and Ethics

Department of Public Enterprises, vide its OM No.18(8)/2005-GM dated 14.05.2010, has laid down guidelines on Corporate Governance for CPSEs. One of the major provisions of such guidelines is that the Board shall lay down a Code of Conduct for all Board Members and senior management of the Company. The Code is a collection of fundamental principles and standard of conduct that illustrate Company's commitment to honesty, integrity and professionalism in the conduct of business in a just, fair and transparent manner. AVANI Board deemed it fit to **voluntarily adopt the Code** for its senior management to pledge its commitment to these principles. Accordingly, the Code of Business Conduct and Ethics was approved by the Board in its 5th Meeting held on 27.01.2022..

The Code of Business Conduct and Ethics has been posted on the Company's website, www.avnl.co.in. All Board Members, the KMPs and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics as on 31.03.2022.

A declaration to this effect signed by the Director authorized by the Board has been placed at Annexure III to this Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year 2021-22, as required under the Guidelines on Corporate Governance for CPSE has been placed at Annexure IV to this Report.

Human Resource Development

AVANI HR, as a strategic business partner, adds value to the organisation in many spheres but most importantly through employee development. Competency building, Skill upgradation and attitudinal orientation through training is a continuous process and AVNL has the following dedicated training institutes with appropriate infrastructure and manpower to cater to the L&D needs of its employees, customers and vendors.

- Institute of Learning, Ambarnath (AVNL IOL Ambarnath) in Maharashtra.
- Institute of Learning, Avadi (AVNL IOL Avadi) in Tamil Nadu.
- Institute of Learning, Medak (AVNL IOL Medak) in Telangana

Transforming the Institutes of Learning

A comprehensive review of the role of 'Institutes of Learning' (IOL) under the company was carried out post corporatization and the following transformational roles have been assigned to them:

1. To be recognized as Centre of Excellence (CoE)" by the Ministry of Skill Development & Entrepreneurship (MSDE), Government of India.
2. To be Specialised Training Institutes in identified functional areas,
3. To enter into academic collaboration with reputed institutions in the areas of Consultancy, Research and Training.

Training Actualisation

Focusing on sustained development of its employees, both at the individual and at the team levels, through various Human Resources development initiatives and to address the learning and organisation development needs, various management development programmes, technology-specific programmes and quality-related programmes were organised both internally and through premier training institutions for all grades of executives. Similarly, skill development programmes have also been conducted for non-executives. Some of the learning and development initiatives rolled out during the year are:

For Executives

Sl.No	Name of the Programme	Target Group
1	Advanced Management Programme in Operation and Supply Chain (AMPOS) organised by ISB Hyderabad.	DGM and above Grade Executives
2	E-MDP on “Procurement through GeM Portal” organised by NADP, Ambhajhari	WM, DGM, Jt.GM & AGM grades
3	Basics of Finance & Accounting in PSU Setup	AWM to AGM grades

For Non-Executives

Sl.No	Name of the Programme	Target Group
1	Industry 4.0 : 3 D Printing (Metals)	Group B & C employees
2	Industry 4.0: Industrial Robotics	Group B & C employees
3	HTML, JAVA Scripts ,CSS for students of ITI	ITI Students
4	Auto CAD (Mech)	ITI Students
5	Transmission Systems In ‘A’ Vehicles – Functional And Maintenance Aspects	Army Personnel
6	Gun Control System, Zeroing of Gun, FCS & Navigation System in Armoured Vehicles	Army Personnel
7	Operational & Maintenance Aspects of Armoured Vehicles	Army Personnel
8	Defect Investigation and Overhauling of Armoured Vehicles	Army Personnel
9	Training Programme on GeM Orders	Group B & C employees
10	Sexual Harassment of Women at Workplace Act, 2013	Group B & C employees
11	Artificial Intelligence	Group B & C employees
12	Personality Development, Leadership and Team Building	Group B & C employees

The Factory Training Institutes of AVNL units conducted various training programmes for their industrial employees.

Sl.No	Name of the Programme	Target Group
1	Total Quality Management (TQM)	Industrial Employees
2	Safety & Housekeeping	
3	Energy Conservation	
4	5S, TPM & Kaizen	
5	International Best Practices	
6	Personality Development, Leadership And Team Building	
7	First Aid	
8	Artificial Intelligence	
9	Industry 4.0	
10	Policy on Quality Professionals	
11	Awareness on ISO	
12	Industrial Safety	

Implementation of official language policy

Your Company is committed to adhere to and implement the Official Language (OL) Policy of Government of India. Best efforts have been put to implement Official Language Policy during the period from 1.10.2021 to 31.03.2022. Some achievements are highlighted as hereunder:

Bilingualisation: All units and offices of the Company including the Corporate Office generate documents in bilingual forms as specified under Section 3(3) of Official Languages Act, 1963. Usage of Hindi in correspondences, mails, noting & drafting are being encouraged.

Computerisation: The Corporate Office and all units of the Company have their own Rajbhasha webpage wherein details of Rajbhasha implementation have been uploaded. In Corporate Office, Hindi translation work are being done through “Z” drive folder and the same are transmitted through “Z” drive after completion of translation.



Web Portal: Web portal in bilingual form has been created in all units. The Company's website is also bilingual in many areas.

Hindi Training: A roster is maintained for Hindi Language training which is updated from time to time. As per the roster, employees are nominated for Hindi language training.

Meetings: Official Language Implementation Committee meetings were conducted in every quarter regularly by all the units including the Corporate Office.

Publications: Quarterly e-magazines were published in units/corporate office of the Company to propagate the usage of Hindi.

Hindi Library: Hindi books on various subjects like Essays, Literature, Dictionaries, Poems, morals, drama etc. are available. Hindi Library is maintained by all units and corporate office.

Implementation of Right to Information (RTI) Act

Transparency is a foundational philosophy of the Company and therefore it complies with the provisions of the RTI Act in totality. In compliance with the RTI ACT, RTI Cells are functional in Corporate Office as well as in all its units for dealing with RTI applications in a time bound manner.

CPIOs/APIOs/First Appellate Authorities have been designated in all units for implementing the provisions of the Act. The requests received are processed by the designated authorities in a time bound manner. In conformance with Government directives, Your Company is successfully processing all the applications under the Act.

Suo Motu Disclosure

The concept of suo motu disclosures under Section 4 of the RTI Act is to place large amount of information in public domain on a proactive basis to make the functioning of the public authorities more transparent and also to reduce

the need for filing individual RTI applications. Section 4(2) of the RTI Act mandates every public authority to provide as much information suo motu to the public at regular intervals through various means of communications, including the Internet, so that the public need not resort to the use of RTI Act. ***As mandated under Section 4 (1) (b), AVNL has taken the initiative and disclosed the requisite information on its website.***

Procurement through GeM

Government e-Marketplace (GeM) is implemented by the Government with the aim to transform all the Government procurements in a transparent manner so as to avoid undesired malpractices in the procurement process. The portal was launched on 9.10.2016 by the Hon'ble Minister for Commerce & Industry. Procurement through GeM has been authorized by General Financial Rules by making necessary changes in Government Rules. GeM is completely paperless and system driven e-market place that enables procurement of common use goods and services with minimal human interface. During the year 2021-22, AVNL has procured materials & services worth Rs. 236.60 Crores/- through GeM constituting 14.93% of the total domestic procurement value and further efforts are being made to improve the procurement through GeM.

Procurement from MSME

AVNL has systematically developed extensive vendor base covering most of the outsourcing requirements. As per the directive of the Government, minimum 25% procurement have to be done from Micro Small & Medium Enterprises (MSMEs) enhanced from 20% earlier and provide a minimum 3% reservation for Women owned MSMEs and 4% for SC / ST Enterprises.

During the year under review, AVNL has procured Goods & Services valued at Rs.497.51 Crores/- out of which Rs.1,584.70 Crores/- constitutes about 31.39% from MSMEs. Also, AVNL is procuring materials from MSMEs that are essential for production & other requirements.

Board of Directors

Company's Policy on Directors' Appointment and Remuneration

The Board of Directors of the Company comprises of Functional Directors and Government Nominee Directors who are appointed from Government of India from time to time. Further, the tenure and remuneration of Functional Directors including Chairman and Managing Director are decided by Government of India. 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. The Government Nominee Directors are appointed by the Department of Defence Production, Ministry of Defence and they are not entitled to any remuneration/ Sitting fees.

Pursuant to the orders of the Government of India and in accordance with the Articles of Association of the Company Shri Sanjeev Kishore, Shri Sanjay Dwivedi and Shri Biswaranjan Pattanaik were appointed as first Directors of the Company.

Changes in Board of Directors and Key Managerial Personnel

The following changes took place amongst the Directors of the Company as on this date of report:

S.No.	Name of the Director	Designation	Date of Appointment	Date of Cessation
1	Shri. Sanjeev Kishore	Chairman & Managing Director	14.08.2021	27.06.2022
2	Shri. Sanjay Dwivedi	Director (Operations)	14.08.2021	-
3	Shri. Biswaranjan Pattanaik	Director (HR)	14.08.2021	-
4	Shri. C. Ramachandran	Director (Finance)	15.09.2021	-
5	Shri. Anurag Bajpai	Nominee Director	30.11.2021	-
6	Shri. Adityanand Srivastava	Chairman & Managing Director	30.06.2022	-

AVNL has received a letter no. MOD ID No. PC-I to 1 (5)/2021/OF/*DP (Plg-V) dated 14.06.2022 from Ministry of Defence with respect to approving request of Shri. Sanjeev Kishore (DIN: 09282282), Chairman and Managing Director for repatriation to the Directorate of Ordnance (Coordination & Services). He ceased to be a CMD w.e.f 27.06.2022.

The Board wishes to place on record its deep appreciation for the valuable services rendered by Shri. Sanjeev Kishore during his association with the Company. The Company compliments him for his knowledge and inputs provided during his tenure as CMD to AVNL.

Meetings of the Board and Committee

During the year under review, seven (7) Board Meetings were held and the maximum interval between any two meetings was not more than 120 days. Details of attendance of Directors in the meeting are given below:

Board meeting Date	Board Strength	Total Attendance	% of attendance to strength
19.08.2021	3	3	100
15.09.2021	4	4	100
01.10.2021	4	4	100
29.11.2021	4	4	100
27.01.2022	5	5	100
07.03.2022	5	4	80
31.03.2022	5	4	80

Compliance of applicable Government guidelines, policies and Secretarial Standards

The guidelines and policies issued by the Department of Public Enterprises Department of Defence Production and other Government authorities from time to time were adopted.

The Company has also complied with the provisions of applicable secretarial standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of section 118(10) of the Companies act, 2013.

Information regarding Employees Remuneration under Section 197 of the Companies act, 2013 read with as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

AVNL being Government Company, the provisions of Section 197 of the Companies act, 2013 and relevant rules does not apply in view of the Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate affairs. The terms and conditions of the appointment of Functional Directors is decided by the Government of India.

Directors retiring by rotation

The applicability of section 152 (6) (Retirement of Director by rotation) of the Companies Act, 2013 does not arise as AVNL is a Government Owned Company.

Declaration by Independent Director

AVNL falls on applicability at the end of this financial year 31.03.2022. Hence, the Declaration from Independent Director shall be taken as and when they are appointed.



Audit Committee

AVNL falls on applicability at the end of this financial year 31.03.2022. Hence, the Committee will be constituted in the forthcoming financial year. The Company has requested the DDP for nomination of Independent Director for necessary compliance.

Nomination & Remuneration Committee

AVNL falls on applicability at the end of this financial year 31.03.2022. Hence, the Committee will be constituted in the forthcoming financial year with the nomination of Independent Directors on the Board. The Company has requested the DDP for nomination of Independent Director for necessary compliance.

Corporate Social Responsibility (CSR)

The importance of inclusive growth is now widely recognized as an essential part of India’s quest for development. It reiterates the country’s commitment to include such sections of the society in the growth process, which have remained excluded from the mainstream of development. In line with this national endeavour, Corporate Social Responsibility (CSR) has been conceived as an instrument for integrating social, environmental and human development concerns in the entire value chain of corporate business. In present times, the Companies operating in a country’s economy are not judged anymore by their financial performance only; but also by their positive actions towards their stakeholders, environment and the society. In other words they are judged also by how socially responsible they are. Thus CSR is a Company’s responsibility towards the community, particularly the marginalized sections, and the social and ecological environment in which it operates.

Even though the Company is newly formed and is at its nascent stage of development; it has adopted care & concern for the People & Planet as one of its core business philosophy. Company strives to set high standards and endeavors to go beyond statutory requirements towards making reasonable impact economically, socially and environmentally.

AVNL falls on applicability at the end of the financial year 31.03.2022. As a proactive measure, AVNL has formed a CSR Committee as per the provisions of the Companies Act, framed and adopted a CSR policy and have started taking initiatives for fulfilling its CSR obligations.

Annual Return

As per the Companies Amendment act, 2017 the requirement of attaching Form MGT – 9 (Extract of Annual Return) with Board’s Report has been dispensed. The Form MGT – 7 (Annual Return) will be uploaded on AVNL’s website (www.avnl.co.in).

Statutory Auditors

The Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India (C& AG) for the year 2021-2022 is as under:

S.No.	Name of the Firm	Region
1	M/s. T.G. Sukumaran & Co Mylapore, Chennai Firm’s Registration No: 009474S	Corporate office

Auditors’ report on the Financial Statements of the Company for the FY 2021-2022 is appended to this report. There are no audit qualifications or adverse remarks on the Company’s Financial Statements. During the year under review, no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

Comments of Comptroller and Auditor General of India

The Comments of the Comptroller and Auditor General of India (C&AG) on the accounts for the year ended 31.03.2022 under Section 143 (6) of the Companies Act, 2013 is appended to this Annual report.

Maintenance of cost records and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the FY 2021-22.

Material Changes Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

Particulars of Loan, Guarantees and Investments under Section 186

The Company has not given any loan/ provided any guarantee or security/ made any investment under Section 186 of the Companies act, 2013 during the year ended 31.03.2022

Environmental & Pollution control

AVNL has systematically integrated sustainability into its business operations, developing best practices aimed at creating clean and sustainable environment. All AVNL units are committed to maintain environment- friendly process and firmly believe that environmental sustainability leads to inclusive growth. AVNL sets goals in accordance with the Department of Public enterprises (DPE) guidelines introducing state-of-the-art technologies to improve environmental performance of products from design to its disposal. All AVNL units are actively involved in conserving natural resources such as rainwater harvesting, energy conservation and reduction of waste and is working towards environmental sustainability. AVNL goes beyond the obvious ways to improvise performance towards environmental excellence.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo.

AVNL has taken various steps to improve water conservation such as Rain water harvesting, De-silting & restoration of water bodies, installation of bore water and re-use of recycled water etc., in all units. This has led to recurring savings of Rs. 3.45 Crores/- per annum, AVNL

has taken appropriate action to changeover to LED lights resulting in total savings of Rs 2.47 Crores/- per annum. Also, installation of Solar Power Plant at AVNL units in HVF and OFMK are providing recurring savings Rs. 3.10 Crores/- per annum.

Energy Conservation (Reduction in Electricity Consumption by switching over to LED) : Lighting represents almost 20% of global electricity consumption. This consumption is similar to the amount of electricity generated by Nuclear power. Usage of LED light bulbs are a source of electricity saving in buildings. AVNL have taken appropriate action to changeover to LED lights and due to this massive exercise which was done for replacing the LED lights the total savings is Rs 2.47 Crores/- per annum accrued and will be recurring savings to AVNL.

Installation of Solar Power Plant: Installation of Solar Power Plant at AVNL units in HVF and OFMK has accrued an average savings of Rs. 3.10 Crores/- per annum and will be recurring savings to AVNL.

Safety and Compliances

All production units are headed by Chief General Manager. Two tier safety committee i.e. Central Safety Committee and Section Level Safety Committees are functioning in each unit. Safety is being given utmost priority in each unit. The safety points are reviewed at various levels of the units .The periodical training are imparted to the employee of the units

The industrial works are carried out in compliance with the Factories Act, 1948. The safety week and fire service week are being celebrated annually. The safety audits are conducted in 3 levels i.e.

1. Level I- Headed by safety officers of the factory.
2. Level II - Audits conducted by the Inter factory headed by group “A” officer.
3. Level III - Audits conducted by the AVNLCO headed in the level of SAG officer

The main aim is to create a safe atmosphere for any healthy environment to achieve zero accident in turn not to waste man hours. In case of accidents the board of



enquiry will be constituted for identifying the case and suggesting the remedial measure. As per the Factories Act, this will be reported to factory also for investigation. .

Major steps taken to achieve Safety

- a. Bi-annual Disaster Management Drill Plan (DMP) had been conducted at all the Units.
- b. Monthly Fire Mock Drill had been carried out at all the Units.
- c. Work Permit system has been strictly implemented especially for Work at Height, Excavation works & Confined space.
- d. Periodic Inspection Test Certificates from Competent authority & upkeeping maintenance of Material handling equipment, lifting tackles, Pressure Vessels, etc.
- e. The Industrial Pedestal Fans had been covered with nylon mesh to protect against entanglement of loose cloths/ women employee's loose hair.
- f. Publicity of Safety awareness among the employees by display of Safety Policy, slogans, Posters, Do's & Don'ts.
- g. Training on Safety/Fire Safety (Courses in DMP, Electrical Safety, First Aid, Occupational Safety & Health, Safety House Keeping had been conducted in the IOLs).
- h. Improvement in Road Safety in the premises of Factory & Estate; Provision of Traffic signals, Traffic mirror, Zebra crossing with hump at required places.
- i. Old corroded/ damaged Fire Hydrants line was replaced with new one to meet the Fire Order.

Health & Environment

Annual medical examinations are being conducted to all the employees of the unit to ensure their health . In addition to that the special medical examinations viz. Eye vision test, Urinal test, Audiometric test, Pulmonary function test etc. are being conducted depending upon the employees deployed in the different working atmosphere.

The employees are advised for wearing the PPEs to protect themselves from accident at their working place. Our units have certified to Environment Management System: ISO 14001, OHSMS: ISO 45001 and Energy Management System: ISO 50001. The Solid & E-Waste management and Safe disposal of Effluents/ Solid waste are being followed as per norms of the respective state PCBs.

1.5 Lakhs of saplings had been planted in the surplus area of the Factory & Residential quarters area of the AVNL units.

AVNL has adopted 3R (Reduce, Recycle, Reuse) Principle.

Reduction in usage of any type of plastics & continuous efforts have been taken to make as Plastic free Zone.

Internal financial controls

The company has various manuals such as Accounts, Cost Accounting and Pricing, Stores, Purchase, Shop, Audit etc. The manuals are in line with the delegation of powers and are being updated periodically after approval of the Board. The changes made, if any, to the manuals are circulated and also updated in the portal.

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations. Further the company has put in place adequate Internal Financial Controls (IFCs) with respect to Financial Statements.

Deposits

The Company has not taken any deposit covered under or which are not in compliance with the requirement of Chapter V of the Companies act, 2013.

Directors Responsibility Statement

Pursuant to the provisions of Section 134(3) (c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Events subsequent to the Date of Financial Statement

No material changes and commitment occurred after the date of Balance sheet i.e. 31.03.2022, which affect the financial position of the Company..

Acknowledgment

The Board of Directors, with deep sense of appreciation, extends its sincere thanks to the Ministry of Defence, Department of Public Enterprises, Department of Ministry of Corporate Affairs and various state Governments, Regulatory and statutory Authorities, Statutory Auditors, and Practising Professionals and stakeholders.

The Directors also take this opportunity to thank the Director General of Audit, Office of CAG of India for the cooperation extended during the year. The Board also acknowledges the valuable suggestions and guidance received from Statutory Auditors during the Audit of Accounts and compliance of applicable statutory provisions and adherence to good corporate practices of the Company respectively for the year under review.

For and on behalf of Board of Directors

Place: Chennai

Date: 23.11.2022

-Sd/-
B
PATTANAİK
Director
DIN: 09282313

-Sd/-
SANJAY DWIVEDI
Director
DIN: 09282314

ANNEXURE - I

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1.	Details of contracts or arrangements or transactions not at Arm's length basis.	No Related party transactions was made during the year 2021-22
2.	1. Details of contracts or arrangements or transactions at Arm's length basis.	No Related party transactions was made during the year 2021-22

Armoured Vehicles Nigam Limited
For and on behalf of Board of Directors

Place: Chennai

Date: 23.11.2022

-Sd/-
B
PATTANAİK
Director
DIN: 09282313

-Sd/-
SANJAY DWIVEDI
Director
DIN: 09282314

ANNEXURE - II

Certificate on Corporate Governance

To

The Members

Armoured Vehicles Nigam Limited (CIN:

U35990TN2021GOI145504)

We have examined the compliance of the conditions of Corporate Governance by Armoured Vehicles Nigam Limited (CIN: U35990TN2021GOI145504) (“the Company”), for the financial year ended on 31.03.2022, as stipulated in relevant provisions of Companies Act, 2013 and rules made thereunder and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, for the financial year ended 31.03.2022 (“DPE Guidelines”).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of corporate governance as stipulated in the said regulations.

Management’s Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with conditions of Corporate Governance stipulated in the Act and the rules made there under and the DPE Guidelines.

Our Responsibility

Our examination was limited to examining procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated under the Act and rules made there under and the DPE Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.

Our Opinion

In our opinion, on the basis of our examination of the relevant records produced, information provided, the explanations and clarifications given to us, the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs on account of the outbreak of Covid-19 pandemic, we certify that the Company has complied with all mandatory regulations and the conditions of Corporate Governance during the financial year ended 31.03.2022.

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

For S Sandeep & Associates
Company Secretaries

-Sd/-

S Sandeep

Managing Partner

CP. No.: 5987

FCS: 5853

PR: 1116/2021

DATE: 15.11.2022

PLACE:

CHENNAI

UDIN: UDIN: F005853D0041731269



ANNEXURE - III

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to Compliance of the Code of Business Conduct and Ethics of the Company for Directors and Senior Management Personnel, in respect of the financial year ended 31.03.2022.

Armoured Vehicles Nigam Limited For
and on behalf of Board of Directors

Place: Chennai

Date: 23.11.2022

-Sd/-

B

PATTANAİK

Director

DIN: 09282313

-Sd/-

SANJAY DWIVEDI

Director

DIN: 09282314

ANNEXURE - IV

Management Discussion & Analysis Report

INTRODUCTION

In a historic and transformational defence reform initiative, the Government of India metamorphosed the units under Ordnance factory Board into seven (7) fully owned Government of India Enterprises to enhance accountability, functional autonomy, efficiency and unleash new growth potential & innovation as a measure of "Atmanirbhar Bharat" to improve self-reliance in the Defence preparedness of the country. Armoured Vehicles Nigam Limited (AVNL) (AVANI), one of these seven (7) New Defence Companies, was incorporated on 14.08.2021 and commenced its business w.e.f 1.10.2021.

The objects to be pursued by AVNL as enshrined in its MOA are :

- To undertake and carry on the business of design, development, manufacture, supply, export, overhaul, repair, maintenance and service of all kinds of defence and non-defence systems; weapon systems, armour material, tanks, vehicles; prototypes, assemblies, sub-assemblies, parts, components, accessories, fitments to any and all such devices / equipment, electronic systems, composite systems and sub systems including software and manufacture, dealing in all kinds of vehicles, whether armoured or un-armoured and all types of hydraulic machines, armaments, machine tools and machinery of any other description for use by Armed Forces and to acquire, promote the companies with similar objects and providing training in aforesaid activities.
- To carry on research and development activities to develop new products, and substitute for imported products and to develop and maintain laboratory for own use and for others.
- To undertake and carry on the business of integration of systems and subsystems (including electronics/ IT, fire control & sighting system integration) for use by Armed Forces and others including upgrades of ammunitions / defence products and services

Industry Structure and Developments: Macro View

Strategic self reliance or Atmanirbharata in defence capabilities is a sine-qua non for a Nation aspiring for Global Power status amongst the comity of nations. Therefore, since independence, the goal of self-reliance has propelled India to nurture and expand its defence industrial base. At the time of independence, most of the defence infrastructure and equipment in India was inherited from its colonial ruler. During the 1950s, striving for self sufficiency, India relied mostly on imports for requirement of advanced military equipment. In 1956, the revised Industrial Policy Resolution reserved the arms and ammunition industry with the public sector. Since then, the ordnance factories set up under the British rule, Defence Public Sector Units set up by the Government and the Defence Research and Development Organization (DRDO) were the critical mass that spearheaded the indigenous research, development, design and manufacture of defence equipment. Post liberalization of economy, the defence industry was opened up for private domestic players in 2001.

The Indian Defence sector, with one of the largest armed forces in the world, as its primary customer, is at the cusp of a transformational change. The Government has identified the Defence and Aerospace sector as a focus area for the 'Aatmanirbhar Bharat' Mission, with a formidable push on the establishment of indigenous manufacturing infrastructure supported by a requisite research and development ecosystem. Corporatisation of Ordnance Factory Board and creation of 7 new DPSUs, including AVNL, is a step in that direction.

The immediate goal is to convert India, from being one of the largest importer of arms/ammunition, to a net exporter. The Government of India aims to develop a strong self-reliant domestic industry in the Defence sector with substantial participation from the private sector, including MSMEs and startups to reverse the trend of imports.

The ever changing and newly emerging geo strategic situations including international conflicts and continuous cross border standoff with neighboring countries has reinforced the need for a strong, robust, resilient and self reliant domestic defence industry.

The Government has undertaken several reform initiatives in the past few years to accelerate the process of reform. The Government has promulgated a Defence Production and Export Promotion Policy (DPEPP) (2020) that aims at increasing Defence production to achieve a turnover of Rs 1,75,000 Crores/- (US\$ 25Bn) including export of Rs 35,000 Crores/- (US\$ 5 Bn) in Aerospace and Defence goods and services by 2025.

The MoD has introduced the Strategic Partnership model (SP) for the Indian private sector, as part of the DPP 2016. The model aims to progressively build indigenous capabilities in the private sector to design, develop and manufacture complex weapon systems and platforms. The Defence Acquisition Procedure 2020 (DAP 2020) has been released with several improvements focusing on self-reliance, wherein indigenisation and innovation is enabled through processes of Make, Design & Development and Strategic Partnership.

Various policy initiatives like liberalisation of Industrial Licensing, development of Defence Corridors, funding for Innovation in Defence and Aerospace through iDEX / DIO, continuous updation of DPP, thrust on exports, simplification of Make-II procedure to help import substitution and promote innovative solutions, promulgation of Positive Indigenisation Lists have helped in creating a robust ecosystem with the help of the domestic industry/ MSMEs/Startups.

All these reforms have led to rejuvenation of defence sector with increasing participation of private and foreign OEMs in defence manufacturing. India is well on its way to becoming “Defence Manufacturing Hub’ of the world.

Under these changing circumstances, AVNL will operate in a highly competitive and technology and capital intensive industrial sector. AVNL is the current market leader in the armoured and combat vehicles segment in India with the expertise and capabilities to fulfill the requirements of the Armed Forces. However, competition is steadily increasing with private players like the TATA, Ashok Leyland, Mahindra & Bharat Forge etc. foraying big way into this segment. With an outstanding order book of INR 37006 Crores/-, AVNL is expected to retain its market leadership.





STRENGTHS

S

- Established Military Mobility Solution Provider in India
- Defence PSU with a good image, reputation and work ethics culture
- Committed workforce with state-of-the-art infrastructure and manufacturing facilities and quality assurance
- Well established systems and procedures including company wide PPC system.
- Decades of experience resulting in excellent domain knowledge and core competencies in armoured vehicles segment
- Strong relationship with the Armed forces, Defence R&D Labs and Government agencies
- Loyal customer base
- Agility in diversification initiatives
- Active learning from collaborators
- Expertise and in executing large & complex system integration projects & turnkey solutions
- Profit-making
- Long-term commitment to customers
- Strong Order book
- Expertise in Heavy Fabrication and Machining manufacturing.
- Capability to design & manufacture Combat, Combat Support vehicles
- Growing AV market world wide and domestically

WEAKNESSES

W

- Battle Tanks and BMPs have long gestation periods due to technological and process complexities and are typically subject to delays.
- The manufacturing processes for our products are highly complex, require technically advanced and costly equipment and involve risks, including breakdown, failure or substandard performance of equipment, improper installation or operation of equipment and industrial accidents.
- Imposition of liquidated damages and invocation of performance bank guarantees/ indemnity bonds by customers could impact our results of operations and we may face potential liabilities from lawsuits and claims by customers in the future
- Lack of flexibility in pricing with respect to Deemed Contracts goods results in loss .
- Dependency on suppliers for timely delivery of raw materials, equipment and components and non adherence to the agreed timelines may adversely affect our delivery timelines.
- Gaps in some of the critical technology areas
- Dependence on Domestic Defence market
- Low value addition in certain projects
- Dependence on TOT & DRDO for technology in certain segments
- Non-uniform and un even distribution of work load
- IP rights of foreign OEMs in TOTs are a hindrance to expansion of Export Capability

OPPORTUNITIES

O

- Growing Defence and security needs of our country and growing armoured vehicle market worldwide
- Government's emphasis on Make-In-India and Atmanirbhar Bharat for manufacture of Defence equipments
- Growing Defence budget allocation towards modernisation, upgrade programmes and maintenance repair & Overhaul
- Increased impetus on modernisation of central paramilitary and police forces
- Withdrawal of OEMs from China as a manufacturing base
- Modernisation of CPMF, Police, Railways, Airports.
- Growing market for allied non-Defence areas such as Homeland Security etc.

CHALLENGES/THREATS

T

- Rapid changes in technology in Defence
- Difficulty in sourcing of few critical and denied technologies
- Policy interventions favouring the private sector
- Manifold increase in competition from Indian private industry and foreign OEMs including their JVs in the Defence sector
- Procurement of armoured vehicles systems under Strategic Partnership Model
- Impact due to Covid-like pandemic

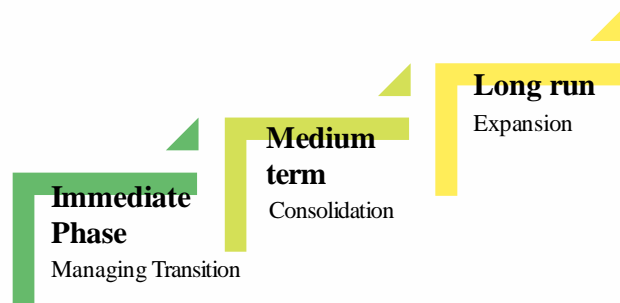


OUR BUSINESS STRATEGY

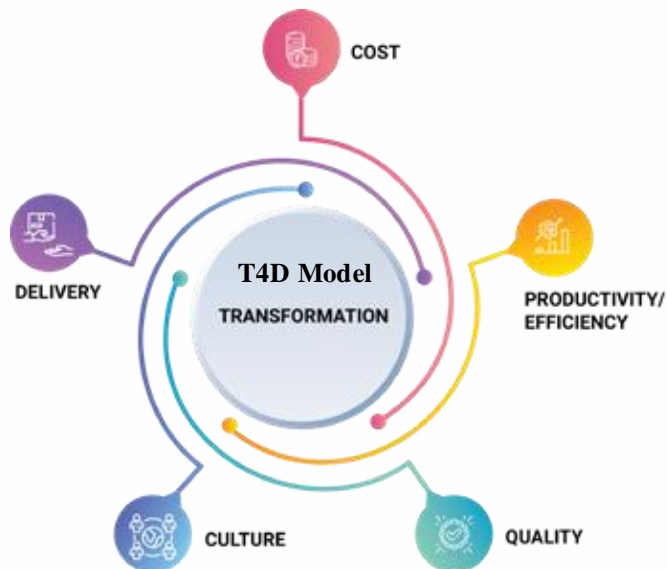
Our strategy sets out our actions for investing in the long-term future of the Company based on driving operational excellence, continuously improving our competitiveness and efficiency, and advancing and further leveraging our technology. By doing this we will fulfil the needs of customers and build a sustainable future for our business for the benefit of our stakeholders.

Our vision is grand; but we intend to build our Company to reach the destination through a series of steps.

At the inception, AVNL Board conceptualized a Strategic Framework for sustainability, growth and profitability. This Strategy was centered around a Three Phase approach:



The immediate phase was short but most challenging. A government legacy entity was being converted into a corporate structure. Transition during transformation was an extremely difficult process. We had only six (6) months to not only turnaround a group of loss making units and put them on the path of revival, stability, growth and profitability; but we also had to contend with the massive teething problems born out of the process of transformation. During this phase of ‘Managing Transition’, the T4-D Model was adopted as the Company’s unique Transformation & Turnaround Strategy



Transformation in Cost

The strategic cost transformation or strategic cost management along with enhancement of productivity/efficiency have to be the focal point. Cost reduction shall be a ‘Mission’ influencing all our operations, functions, processes and decisions. The aim is to become the lowest cost producer in our product segment both in the domestic and international market. Thus, Cost Leadership is both our goal and strategy so that we can provide better value to our customers at a lower cost.

Transformation in Productivity/Efficiency

Increase in productivity / efficiency through increased accountability and greater autonomy is the fundamental principles of corporate functioning. Therefore enhancing the productivity of all the resources is the immediate and imperative need. All activities including production/non production systems/processes are required to be analysed through value engineering and value analysis methods so that manufacturing costs and related wastages are reduced by implementing process improvements.

Transformation In Quality

One of the major deficiencies of the legacy system is the perceived lack of quality leading to customer dissatisfaction. Hence along with cost reduction and productivity enhancement, the most critical area is ‘Quality’. The attendant strategy is to make “Quality” an article of faith. To underline our commitment, the next financial year was declared as the ‘Year of Quality’. ‘Quality First, Quality Always’ shall be our motto in all our endeavours.

Transformation in Culture

Success of any organisation depends as much on its structure and functions as on its culture. Organisational culture plays the most crucial part in the times of change and transformation. The values of the Company shall form the basis of behaviour and conduct, and if properly inculcated, shall form the bedrock of Company culture. Hence now is the right time to cultivate the right mind set and attitude amongst all employees and build a positive organisation culture.

Delivery

As the immediate phase was about survival and sustainability; the most crucial task and the foremost challenge for this period is to achieve the production targets. The flow of working capital depends entirely on meeting the contractual obligations of the grandfathered indents in a timely manner as there is no government budgetary support. Hence meeting the delivery schedule

is our Mantra so as to make every day count through rigorous planning and constant monitoring.

The above strategic template was designed for the immediate phase for managing the unavoidable transition. Necessary instructions were issued and all the Unit heads were sensitized to implement the proposed action plans under each strategic levers. As the Company stabilizes its functions; appropriate strategies both in the medium term and the long term will be drafted with focus on Consolidation and Expansion respectively.

31.03.2022 –1st Milestone - AVANI Is A Profitable Venture

We Performed while we Transformed. Thanks to the commitment and devotion of our employees, everybody responded to the challenging situation and contributed towards successful implementation of the strategy and action plans putting your company on the runway of achievement and profitability. In its brief existence so far, the Corporation has vindicated the promise with which it was set up and has lived up to the initial expectations. This early promise is a forerunner of illustrious achievements to come.

AVANI has recently closed its first ever Financial Year. In fact, 1.10.2021 to 31.03.2022 is not even a full financial year. Sometimes a time period does not count; what counts is the achievement in a capsule of time. Viewed from that perspective, completing the first financial year is a historic milestone.



On 1.10.2021, AVANI was the dawn of a new star in the firmament of defence manufacturing. On 1.04.2022, its early promise and performance is shining bright like a sunny morning.



The highlights of Financial and Operational performance of various units of AVANI and the Company as a whole are given below :-

PERFORMANCE HIGHLIGHTS -

Particulars	Period from 01.10.2022 to 31-03-2022
(Rs. In Lakhs)	4
Revenue from Operations	2,56,926.13
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	16,154.60
EBITDA Margin (EBITS/Revenue from Operations (Net))	6.29%
Profit After Tax	5419.29
Inventory Turnover (No. of days)	220 days
Trade Receivables Turnover	4 days
Current Ratio	1.83
Debit Equity Ratio	0.38

Segment-wise or Product-wise performance

AVNL achieved value of direct issue worth Rs. 2569.26 Crores/- in second half of the FY 2021-22 as compared to the Rs.754.19 Crores/- in the first half of the FY 2021-22 during erstwhile OFB period.

Performance with respect to Customers, Factories and major Products are as under:

Performance with respect to Customer

Customer	Value of issue in Rs. Crores/-
in Rs. Crores/-	2413.57
Navy	46.32
Air Force	5.97
MHA	48.71
Civil Trade	27.09
Other Def. Dept.	14.63
Export	0.31
Inter New DPSU	12.66
Direct issue	2569.26
Intra AVNL	109.31
Grand total	2678.57

Performance of the Production Units

	Direct issue	Intra-AVNL	Total
EFA	210.63	47.03	257.66
HVF	1280.24	3.02	1283.27
MPF	119.65	35.78	155.43
OFMK	575.55	20.56	596.11
VFJ	383.19	2.92	386.11
TOTAL	2569.26	109.31	2678.57

Performance in terms of Major products

Category of the Products	Qty. issued
Battle Tanks (T-72, T-90) and their variants including overhauling	45
BMP-II and its variants including overhauling	76
Engines of T-72, T-90 and BMP-II including overhauling	349
Mine Protected Vehicles	79
Military Logistics Vehicles	1,356
Up Gunning Sharang gun	13

Future Outlook

The Reserve Bank of India has pegged the economic growth rate for 2022-23 at 7.8 per cent, down from 9.2 per cent expected in 2021-22, in view of uncertainties on account of the pandemic and elevated global commodity prices.

Defence

According to the data on global military spending published by the Stockholm International Peace Research Institute (SIPRI), total global military expenditure increased by 0.7 per cent in real terms in 2021, to reach \$2113 billion, crossing Dollar 2 Trillion for the first time. The five largest spenders in 2021 were the United States, China, India, the United Kingdom and Russia, together accounting for 62 per cent of expenditure. India's military spending is ranked third (3) highest in the world.

The total Union Budget outlay for the FY 2022-23 is Rs. 39.45 Lakhs Crores/- (US \$ 540 billion), in comparison to the outlay of Rs. 34.83 Lakhs Crores/- (US \$ 477 billion) in FY 2021-2022. The overall allocation for defence this year is 13.3% of the Union government expenditure, while it was 13.7% of the expenditure in the FY 2021-

22. To support defence modernization and promote "Aatmanirbharat, defence capital procurement budget earmarked for domestic industry has been increased substantially.

The global armored vehicle market size was USD 17.57 billion. The global armored vehicle market is projected to grow from \$18.08 billion in 2021 to \$27.83 billion in 2028 at a CAGR of 6.36% in forecast period, 2021-2028 period. The rise in CAGR is attributable to market demand and growth

The Indian defence industry is the sunrise sector of the future. AVNL has a very healthy order book position. Order pipeline is also likely to be boosted with materialization of various expected orders. With focus on R&D and innovation and concentrated approach for market development especially in the international arena; AVNL is expected not only to retain its market leadership but it also is firmly poised to expand its global footprint.

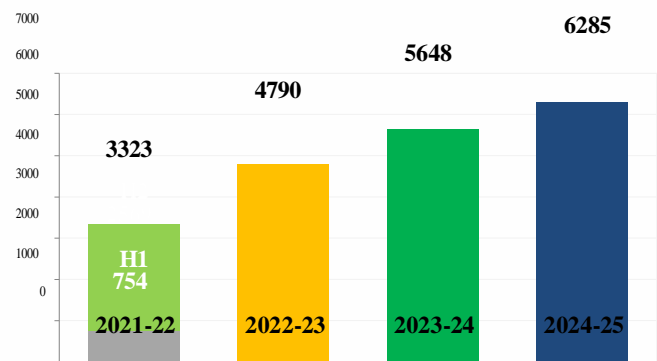
Some of the futuristic products being developed through in-house R&D and through co-development / co-production with other Indian & Foreign Industry Partners are as under:

- Light Tank
- Futuristic Ready Combat Vehicle
- Futuristic Infantry Combat Vehicle
- BMP-II Upgrade

Future Growth

The Perspective Plan of the Company is given below:

YEAR WISE GROWTH PLAN FOR NEXT FOUR YEARS (IN Rs. Crores)



HUMAN RESOURCE DEVELOPMENT

Dynamism in Progression

Human resource management considerations form the integral part of the Company's growth strategy. The Company's investment in human resources includes creating a positive, safe and collaborative work environment that attracts and retains right talent that are focused to deliver greater customer experiences and help build a stronger brand image.

AVNL has adopted a grand vision and aspires to be a world class Armoured Vehicles Manufacturer and a trusted Global Brand for domestic and International Customers and one of its mission statements is to be a learning organisation with global competencies, committed to creativity and innovation. AVNL HR is inextricably aligned with the Company's Vision and Mission.

HR Vision

To be a strategic business partner that enables AVNL to be a world class manufacturer and trusted global brand through attraction, retention and engagement of a talented, diverse and inclusive workforce.

HR Mission

- Providing an agile, efficient and effective HR infrastructure aligned with the Company's strategic plan that provides best-in-class HR services.
- Maintaining a high level of customer satisfaction and to supporting organizational and fiscal growth;
- Fostering a positive culture and an inclusive, diverse work environment that values the Company's greatest asset, its people, and encourages the empowerment of staff;
- Promoting a rewarding work experience that supports the recruitment, hiring, engagement and retention of top-tier talent;
- Recruiting, hiring and investing in superior talent and promoting a learning environment that includes professional and career development programs that enable people to realize their full potential and maximize their performance.

ALIGNMENT OF HR POLICIES WITH BUSINESS

- Positioning HR as an applied business discipline, strategic in nature.
- Promoting a culture of learning, innovation and merit.
- Facilitating leadership and change management interventions.

The Company has as a total strength of 11799, employees as on 31.03.2022. These employees are on deemed deputation from the erstwhile OFB units. Till such time the employees remain on deemed deputation to the new DPSUs, they shall continue to be subject to all the extant rules, regulations and orders as are applicable to the Central Government servants, including related to their pay scales, allowances, leave, medical facilities, career progression and other service conditions.

Learning & Development

“Learning is indeed a lifelong process.” People who develop the ability to continuously acquire new and better forms of knowledge that they can apply to their work and to their lives will be movers in the society for indefinite future.”

Training programmes, basically serve the purpose of creating opportunities for employees to hone their skills and acquire new ones within the frame work of their Companies. In order to translate the AVNL's Vision into reality by its team of dedicated employees at all levels and to stay ahead in the market, appropriate training is imparted to all categories of employees to improve and update their knowledge/skill level.

A Training Calendar is prepared at the beginning of each year to impart training to employees to meet the skill gaps and development of their competencies based on the Training Need Assessment.

The Institutes of Learning conducted 118 courses wherein 2064 participants were imparted training. These Institutes also generated a revenue of Rs. 11,53,940/- by conducting training for outside customers. They also conducted Customized Training Programs for the customers, Students/Youths under Skill Development Scheme.

MOUs

As a part of the transformational initiative, AVNL IOLs have signed MOUs with the following reputed Institutions / Organizations for mutual collaboration, consultancy, research, and exchange of faculty etc.

- MOU with M/s Federation of Indian Industries Thane Manufacturing Association, Wagle Industrial Estate Thane.
- MOU with Govt. Industrial Training Institute (I.T.I) in Maharashtra State having its registered office at Ambarnath Town.
- MOU with M/s Diagonal CADD (P) Ltd, Ambattur Industrial Estate, Chennai.

- MOU with GK NDT SERVICES, Chennai.
- MOU with Administrative Staff College of India (ASCI), Hyderabad.
- MOU with M/s NarseeMonjee Institute of Management Studies (NMIMS), Hyderabad.
- MOU with M/s National Informatics Centre (NIC), Hyderabad.

Cautionary Statement

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.



