भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
भारत इलेक्ट्रॉनिक्स लिमिटेड
(भारत सरकार का उद्यम, रक्षा मंत्रालय)
पंजीकृत कार्यालय :
आउटर रिंग रोड, नागवारा, बेंगलूर - 560 045, भारत
Bharat Electronics Limited
(Govt. of India Enterprise, Ministry of Defence)
Registered Office : Outer Ring Road,
Nagavara, Bangalore - 560 045, INDIA.
CIN : L32309KA1954GOI000787
टेलीफैक्स/Telefax : +91 (80) 25039266
ई-मेल/E-mail : secretary@bel.co.in
वेब/Web : www.bel-india.com

प्रति To,

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
National Stock Exchange of India Ltd.
एक्सचेंज प्लाज़ा , प्लॉट नं/सी .1, जी ब्लॉक
Exchange Plaza, Plot No. C/1, G Block,
बांद्राकुर्ला कॉम-प्लेक्स, बांद्रा (पूर्व)
Bandra-Kurla Complex, Bandra (E)
मुंबई/Mumbai – 400 051

सं.No. 17565/6/SE/NSEC/SEC
दिनांक **/ Date: 07.09.2020**

महोदय / महोदया,
Dear Sir/Madam,

विषय: 66 वीं वार्षिक आम बैठक और वार्षिक रिपोर्ट **2019-20** की सूचना ।
Sub: Notice of 66th Annual General Meeting and Annual Report 2019-20.

सेबी (एल.ओ.डी.आर.) विनियम, 2015 के विनियम 30 के परिप्रेक्ष्य में, आपको सूचित किया जाता है कि कंपनी की 66वीं वार्षिक सामान्य बैठक (ए.जी.एम.) दिनांक 30 सितंबर, 2020 को सुबह 10.00 बजे (आई.एस.टी.) वीडियो कॉनफ्रेंसिंग ("वी.सी.") / अन्य श्रव्य-दृश्य माध्यम ("ओ.ए.वी.एम.") द्वारा आयोजित होगी।

In terms of Regulation 30 of the SEBI (LODR) Regulations, 2015, we wish to inform that 66th Annual General Meeting (AGM) of the Company will be held on 30th September, 2020 at 10.00 a.m (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

सेबी (एलओडीआर) विनियम, 2015 के विनियम 34 (1) के तारतम्य में, कृपया एतद्वारा 66 वीं वार्षिक आम बैठक की सूचना और वित्तीय वर्ष 2019-20 की वार्षिक रिपोर्ट (जिसमें कारोबारी उत्तरदायित्व रिपोर्ट और निर्वहनीयता रिपोर्ट शामिल है) एतद्वारा संलग्न पाएँ।

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, please find enclosed herewith copy of Notice of 66th Annual General meeting and Annual Report for the financial year 2019-20 (Which includes Business Responsibility Report & Sustainability Report).

सूचना व अभिलेख हेतु।
This is for your information and record.

सधन्यवाद / Thanking you,

भवदीय Yours faithfully,

कृते भारत इलेक्ट्रॉनिक्स लिमिटेड
For Bharat Electronics Limited

एस श्रीनिवास **S Sreenivas**
कंपनी सचिव **Company Secretary**

संलग्न- यथा उपरोक्त ।
Encls: As stated above.

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY, TECHNOLOGY, INNOVATION

भारत इलेक्ट्रॉनिक्स लिमिटेड
Bharat Electronics Limited

(भारत सरकार का उद्यम)
(A Government of India Enterprise)
सी आई एन / CIN : L32309KA1954GO1000787
पंजीकृत व कार्पोरेट कार्यालय - आउटर रिंग रोड, नागवारा, बेंगलूरु - 560 045
Registered & Corporate Office : Outer Ring Road, Nagavara, Bengaluru - 560 045

सूचना / NOTICE

प्रति

भारत इलेक्ट्रॉनिक्स लिमिटेड के सभी सदस्य

एतद्द्वारा सूचना दी जाती है कि भारत इलेक्ट्रॉनिक्स लिमिटेड के सदस्यों की 66वीं वार्षिक सामान्य बैठक (एजीएम) बुधवार, दिनांक 30 सितंबर, 2020 को सुबह 10 बजे (आईएसटी) वीडियो कांफ्रेंसिंग ("वीसी") / अन्य श्रव्य-दृश्य माध्यम ("ओएवीएम") से निम्नलिखित कारोबार संचालित करने हेतु आयोजित की जाएगी –

सामान्य कारोबार-

1. निम्नलिखित पर विचार करने और उसे स्वीकार करने हेतु -

क) 31 मार्च 2020 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित वित्तीय विवरण और उन पर निदेशक मंडल और लेखा परीक्षकों का प्रतिवेदन; और

ख) 31 मार्च 2020 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित समेकित वित्तीय विवरण और उन पर लेखा परीक्षकों का प्रतिवेदन ।

2. वित्तीय वर्ष 2019-20 के लिए ₹1.40 (140%) के अंतरिम लाभांश के भुगतान को संपुष्ट करना तथा ₹ 1 प्रत्येक पूर्ण चुकता शेयर पर ₹ 1.40 (140%) प्रति ईक्विटी शेयर का अंतिम लाभांश घोषित करना ।

3. **श्रीमती आनंदी रामलिंगम** (डीआईएन-07616518) जो चक्रानुक्रम से सेवानिवृत्त होती हैं और पात्र होने पर स्वयं को पुन:नियुक्ति के लिए प्रस्तुत करती हैं, के स्थान पर निदेशक की नियुक्ति करना ।

विशेष कारोबार -

4. श्रीमती शिखा गुप्ता (डीआईएन-08597649) की निदेशक के रूप में नियुक्ति

निम्नलिखित संकल्प पर विचार करने और यदि उपयुक्त समझा जाए तो उसे संशोधनों के साथ या उनके बिना, **सामान्य संकल्प** के रूप में पारित करने हेतु –

To

The Members of Bharat Electronics Limited

NOTICE IS HEREBY GIVEN THAT the 66th Annual General Meeting (the AGM) of the Members of Bharat Electronics Limited will be held on Wednesday, 30 September 2020, at 10:00 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

a) the Audited Financial Statement(s) of the Company for the financial year ended 31 March 2020 and the reports of the Board of Directors and the Auditors thereon; and

b) the Audited Consolidated Financial Statement(s) of the Company for the financial year ended 31 March 2020 and the reports of Auditors thereon.

2. To confirm the payment of interim dividend of ₹ 1.40 (140%) per equity share and to declare final dividend of ₹ 1.40 (140%) per equity share of ₹ 1 each fully paid up for the financial year 2019-20.

3. To appoint a Director in place of **Mrs. Anandi Ramalingam** (DIN: 07616518), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mrs Shikha Gupta (DIN: 08597649) as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**संकल्प किया गया कि** कंपनी अधिनियम, 2013 की धारा 152 तथा अन्य लागू प्रावधानों, यदि कोई हो, और उसके तहत बनाए गए नियमों (वर्तमान में लागू किसी सांविधिक संशोधन या उसके पुन:अधिनियमन सहित) के तारतम्य में, श्रीमती शिखा गुप्ता (डीआईएन-08597649), जिन्हें भारत सरकार, रक्षा मंत्रालय के पत्र सं. डीडीपी-E0032/4/2018-D(BEL) दिनांक 22 जुलाई 2019 द्वारा निदेशक (अन्य यूनिटें) नियुक्त किया गया और तदुपरांत जिन्हें कंपनी अधिनियम, 2013 की धारा 161 के तारतम्य में इस वार्षिक सामान्य बैठक की तारीख तक पद धारित करने हेतु दिनांक 1 दिसंबर, 2019 से निदेशक मंडल द्वारा अपर निदेशक के रूप में नियुक्त किया गया और निदेशक (अन्य यूनिटें) के रूप में पदनामित किया गया और जिनके संबंध में कंपनी ने कंपनी अधिनियम, 2013 की धारा 160 (1) के तहत एक सदस्य से कंपनी का निदेशक पद धारित करने का प्रस्ताव रखते हुए अपना आशय व्यक्त करते हुए लिखित में एक सूचना प्राप्त की है, को कंपनी के निदेशक के पद पर नियुक्त किया जाए और एतद्द्वारा नियुक्त किया जाता है जो भारत सरकार द्वारा यथा निर्दिष्ट निबंधन व शर्तों पर चक्रानुक्रम से सेवानिवृत्त होंगी।"

5. श्री दिनेश कुमार बत्रा (डीआईएन-08773363) की निदेशक के रूप में नियुक्ति

निम्नलिखित संकल्प पर विचार करने और यदि उपयुक्त समझा जाए तो उसे संशोधनों के साथ या उनके बिना, **सामान्य संकल्प** के रूप में पारित करने हेतु -

"**संकल्प किया गया कि** कंपनी अधिनियम, 2013 की धारा 152 तथा अन्य लागू प्रावधानों, यदि कोई हो, और उसके तहत बनाए गए नियमों (वर्तमान में लागू किसी सांविधिक संशोधन या उसके पुन:अधिनियमन सहित) के तारतम्य में, श्री दिनेश कुमार बत्रा (डीआईएन-08773363), जिन्हें भारत सरकार, रक्षा मंत्रालय के पत्र सं. डीडीपी- E0032/1/2019-D(BEL) दिनांक 29 अप्रैल 2020 द्वारा निदेशक (वित्त) नियुक्त किया गया और तदुपरांत जिन्हें कंपनी अधिनियम, 2013 की धारा 161 के तारतम्य में इस वार्षिक सामान्य बैठक की तारीख तक पद धारित करने हेतु निदेशक मंडल द्वारा दिनांक 1 अगस्त 2020 से अपर निदेशक के रूप में नियुक्त किया गया और निदेशक (वित्त) एवं सीएफओ के रूप में पदनामित किया गया, और जिनके संबंध में कंपनी ने कंपनी अधिनियम, 2013 की धारा 160(1) के तहत आवश्यक राशि जमा करने के साथ एक सदस्य से लिखित में सूचना प्राप्त की है जिसमें सदस्य ने श्री दिनेश कुमार बत्रा को कंपनी के निदेशक के पद पर नियुक्त करने के प्रस्ताव का आशय व्यक्त किया था, को कंपनी का निदेशक नियुक्त किया जाए

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs Shikha Gupta (DIN: 08597649), who was appointed as Director (Other Units) by the Govt. of India, Ministry of Defence vide letter no. DDP-E0032/4/2018-D(BEL) dated 22 July 2019 and subsequently appointed as an Additional Director and designated as Director (Other Units) by the Board of Directors w.e.f 1 December 2019 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member along with the deposit of the requisite amount under Section 160 (1) of the Companies Act, 2013, signifying her intention to propose Mrs Shikha Gupta as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation, on terms and conditions as stipulated by the Government of India."

5. Appointment of Mr Dinesh Kumar Batra (DIN: 08773363) as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Dinesh Kumar Batra (DIN: 08773363), who was appointed as Director (Finance) by the Govt. of India, Ministry of Defence vide letter no. DDP-E0032/1/2019-D(BEL) dated 29 April 2020 and subsequently appointed as an Additional Director and designated as Director (Finance) & CFO by the Board of Directors w.e.f 1 August 2020 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member along with the deposit of the requisite amount under Section 160 (1) of the Companies Act, 2013, signifying her intention to propose Mr Dinesh Kumar Batra as a candidate for the

और एतद्द्वारा नियुक्त किया जाता है जो भारत सरकार द्वारा यथा निर्दिष्ट निबंधन व शर्तों पर चक्रानुक्रम से सेवानिवृत्त नहीं होंगे।"

6. श्री एम वी राजशेखर (डीआईएन-08850171) की निदेशक के रूप में नियुक्ति

निम्नलिखित संकल्प पर विचार करने और यदि उपयुक्त समझा जाए तो उसे संशोधनों के साथ या उनके बिना, **सामान्य संकल्प** के रूप में पारित करने हेतु –

"**संकल्प किया गया कि** कंपनी अधिनियम, 2013 की धारा 154 तथा अन्य लागू प्रावधानों, यदि कोई हो, और उसके तहत बनाए गए नियमों (वर्तमान में लागू किसी सांविधिक संशोधन या उसके पुन: अधिनियमन सहित) के तारतम्य में, श्री एम वी राजशेखर (डीआईएन-08850171), जिन्हें भारत सरकार, रक्षा मंत्रालय के पत्र सं. डीडीपी-ई0032/2/2019-डी (बीईएल) दिनांक 6 जुलाई, 2020 द्वारा निदेशक (अनुसंधान व विकास) नियुक्त किया गया और तदुपरांत उन्हें कंपनी अधिनियम, 2013 की धारा 161 के तारतम्य में इस वार्षिक सामान्य बैठक की तारीख तक पद धारित करने हेतु निदेशक मंडल द्वारा 1 सितंबर, 2020 से अपर निदेशक के रूप में नियुक्त किया गया और निदेशक (अनुसंधान व विकास) के रूप में पदनामित किया गया और जिनके संबंध में कंपनी ने कंपनी अधिनियम, 2013 की धारा 160(1) के तहत आवश्यक राशि जमा करने के साथ एक सदस्य से लिखित में सूचना प्राप्त की है जिसमें सदस्य ने श्री एम वी राजशेखर को कंपनी के निदेशक के पद पर नियुक्त करने के प्रस्ताव का आशय व्यक्त किया था, को कंपनी का निदेशक नियुक्त किया जाए और एतद्द्वारा नियुक्त किया जाता है जो भारत सरकार द्वारा यथा निर्दिष्ट निबंधन व शर्तों पर चक्रानुक्रम से सेवानिवृत्त होंगे ।"

7. लागत लेखा परीक्षक के पारिश्रमिक का अनुसमर्थन

निम्नलिखित संकल्प पर विचार करने और यदि उपयुक्त समझा जाए तो उसे संशोधनों के साथ या उनके बिना, **सामान्य संकल्प** के रूप में पारित करने हेतु –

"**संकल्प किया गया कि** कंपनी अधिनियम, 2013 की धारा 148 तथा अन्य लागू प्रावधान, यदि कोई हों, जिन्हें उसके तहत बनाए गए नियमों के साथ पढ़ा जाना है (वर्तमान में उसमें किए गए किसी सांविधिक संशोधन (संशोधनों) या पुन:प्रवर्तन सहित), के तारतम्य में, 31 मार्च 2021 को समाप्त वित्तीय वर्ष के लिए कंपनी के लागत अभिलेखों की लेखा परीक्षा करने के लिए कंपनी के निदेशक मंडल द्वारा लागत लेखा परीक्षक के रूप में नियुक्त मे. मूर्ति एंड कं. एलएलपी, लागत लेखाकार,

office of Director of the Company, be and is hereby appointed as Director of the Company, not liable to retire by rotation, on terms and conditions as stipulated by the Government of India."

6. Appointment of Mr M V Rajasekhar (DIN: 08850171) as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr M V Rajasekhar (DIN: 08850171), who was appointed as Director (Research & Development) by the Govt. of India, Ministry of Defence vide letter no. DDP-E0032/2/2019-D(BEL) dated 6 July 2020 and subsequently appointed as an Additional Director and designated as Director (Research & Development) by the Board of Directors w.e.f 1 September 2020 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member along with the deposit of the requisite amount under Section 160 (1) of the Companies Act, 2013, signifying her intention to propose Mr M V Rajasekhar as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation, on terms and conditions as stipulated by the Government of India."

7. Ratification of Remuneration of the Cost Auditor.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with the relevant Rules thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 350,000 (Rupees Three Lakh Fifty Thousand only) plus applicable taxes to M/s Murthy

बेंगलूरु (एलएलपिन- AAB-1402 और फर्म पंजीकरण सं. 000648) को ₹ 350,000/- (रुपए तीन लाख पचास हज़ार मात्र) तथा लागू कर के पारिश्रमिक का भुगतान करने हेतु कंपनी की सहमति प्रदान की जाए और एतद्द्वारा प्रदान की जाती है ।"

& Co. LLP, Cost Accountants, Bengaluru (LLPIN- AAB-1402 & Firm Registration No. 000648) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31 March 2021."

मंडल के आदेशानुसार
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड

बेंगलूरु
7 सितंबर 2020

एस श्रीनिवास
कंपनी सचिव

By order of the Board
For Bharat Electronics Limited

Bengaluru
7 September 2020

S Sreenivas
Company Secretary

नोट

1. **कोविद-19 की मौजूदा महामारी को ध्यान में रखते हुए, कार्पोरेट कार्य मंत्रालय ("एमसीए") ने अपने परिपत्र दिनांक 05 मई 2020, जिसे परिपत्र दिनांक 8 अप्रैल 2020 और 13 अप्रैल 2020 (जिसे यहाँ संयुक्त रूप से "एमसीए परिपत्र" कहा गया है) के साथ पढ़ा जाना है, द्वारा वीडियो कांफ्रेसिंग (वीसी) या अन्य श्रव्य-दृश्य (ओएवीएम) माध्यम से किसी सामान्य स्थल पर सदस्यों की वास्तविक उपस्थिति के बिना सामान्य वार्षिक बैठक ("एजीएम") करने की अनुमति दी है। कंपनी अधिनियम, 2013 ("अधिनियम"), सेबी (सूचीकरण की बाध्यताएं एवं प्रकटण की अपेक्षाएं) विनियम, 2015 ("सूचीकरण विनियम") और एमसीए परिपत्रों के प्रावधानों के अनुपालन में, कंपनी की एजीएम वीसी / ओएवीएम के माध्यम से आयोजित किया जा रहा है । एजीएम का स्थान कंपनी का पंजीकृत कार्यालय माना जाएगा ।**

2. चूँकि एजीएम एमसीए परिपत्रों के अनुसार वीसी / ओएवीएम के माध्यम से आयोजित की जा रही है, इसलिए सदस्यों की वास्तविक उपस्थिति की आवश्यकता नहीं है । तदनुसार, सदस्यों द्वारा एजीएम के लिए प्रॉक्सी की नियुक्ति करने की सुविधा उपलब्ध नहीं होगी और इसलिए इस सूचना के साथ प्रॉक्सी फार्म और उपस्थित पर्ची संलग्न नहीं किया गया है ।

3. वीसी / ओएवीएम के माध्यम से एजीएम में उपस्थित होने वाले सदस्यों की गणना अधिनियम की धारा 103 के तहत कोरम को पूरा करने के उद्देश्य से की जाएगी ।

4. कार्पोरेट / संस्थागत सदस्य (यानी व्यक्ति / एचयूएफ, एनआरआई आदि को छोड़कर) अपनी ओर से वीसी / ओएवीएम के माध्यम से एजीएम में भाग लेने और एजीएम में सुदूर ई-मतदान या मतदान के माध्यम से अपने मताधिकार का प्रयोग करने के लिए अधिकृत प्रतिनिधियों को नियुक्त करने के हकदार हैं। बैठक में भाग लेने और मतदान करने के लिए अपने प्रतिनिधियों को अधिकृत करने के इच्छुक कार्पोरेट / संस्थागत सदस्यों से अनुरोध है कि वे स्क्रूटिनाइज़र को मंडल के संकल्प / प्राधिकरण पत्र की प्रमाणित प्रति gthirupal@gmail.com पर भेजें और इसकी प्रति अधिनियम की धारा 113 के तारतम्य में, बैठक में उनकी ओर से वीसी / ओएवीएम के माध्यम से भाग लेने और उनकी ओर से मतदान करने हेतु अपने प्रतिनिधि को अधिकृत करते हुए कंपनी पंजीयक और अंतरण एजेंट (आरटीए) मे. इंटीग्रेटेड रजिस्ट्री मैनेजमेंट सर्विसेस प्रा. लि. को उनके ईमेल आईडी irg@integratedindia.in पर भेजें।

5. विशेष कारोबार के संबंध में अधिनियम की धारा 102(1) के तारतम्य में ऊपर बताए गए अनुसार संबंधित व्याख्यात्मक विवरण इसके साथ संलग्न है और इस बैठक की सूचना का भाग है। सूचीकरण विनियमों के विनियम 26(4) और 36(3) तथा भारतीय कंपनी सचिव संस्थान द्वारा जारी सामान्य बैठक

NOTE

1. **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.**

2. Since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip is not annexed to this Notice.

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. Corporate/ Institutional Members (i.e. other than individuals / HUF, NRI, etc.) are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast votes through remote e-voting or voting at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Scrutinizer through e-mail at gthirupal@gmail.com with a copy marked to Company's Registrar and Transfer Agent (RTA) M/s Integrated Registry Management Services Pvt. Ltd. at their e-mail id irg@integratedindia.in, authorizing its representative(s) to attend the AGM through VC/OAVM and cast vote on their behalf, pursuant to section 113 of the Act.

5. Relevant Explanatory Statement pursuant to Section 102(1) of the Act, in respect of Special Business as set out above is annexed hereto and forms part of the Notice of this meeting. Details of Directors seeking appointment or re-appointment at the AGM, as required under

(एसएस-2) पर सचिवीय मानक के खंड 1.2.5 के तहत यथा अपेक्षित, एजीएम में नियुक्ति या पुन:नियुक्त चाहने वाले निदेशकों के विवरण भी संलग्न हैं जो इस बैठक की सूचना का भाग बनते हैं।

6. उक्त एमसीए के परिपत्रों तथा सेबी के परिपत्र दिनांक 12 मई, 2020 के अनुपालन में, वार्षिक रिपोर्ट 2019-20 के साथ-साथ इस एजीएम की सूचना ऐसे सदस्यों को केवल इलेक्ट्रॉनिक माध्यम से भेजी जा रही है जिनके ईमेल एड्रेस कंपनी / डिपाज़िटरियों के पास दर्ज हैं। सदस्य नोट करें कि एजीएम की सूचना और वार्षिक रिपोर्ट 2019-20 कंपनी की वेबसाइट www.bel-india.in पर, स्टॉक एक्सचेंजों यानी बीएसई लिमिटेड और नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड की वेबसाइटों क्रमश: www.bseindia.com और www.nseindia.com में भी उपलब्ध होंगे।

ऐसे सदस्य जिन्होंने अपने ईमेल एड्रेस दर्ज नहीं कराए हैं, उनसे अनुरोध है कि वे अपने ईमेल एड्रेस और मोबाइल नंबर कंपनी के आरटीए मे. इंटीग्रेटेड रजिस्ट्री मैनेजमेंट सर्विसेस प्रा. लि. के पास एजीएम की सूचना, वार्षिक रिपोर्ट 2019-20 भेजने के प्रयोजनार्थ और ई-मतदान के अनुदेशों के लिए लिंक https://www.integratedindia.in/emailupdation.aspx पर क्लिक करते हुए अस्थायी रूप से दर्ज कराएँ / अपडेट कर लें। वैकल्पिक रूप से, सदस्य एजीएम की सूचना और वार्षिक रिपोर्ट 2019-20 और ई-मतदान के अनुदेश भेजने के लिए, अपने ईमेल एड्रेस, मोबाइल नंबर, स्व-अनुप्रमाणित पैन कॉपी और इलेक्ट्रॉनिक फोलियो के मामले में क्लाइंट मास्टर कॉपी और वास्तविक फोलियो के मामले में शेयर प्रमाण-पत्र की कॉपी प्रदान करते हुए विधिवत् हस्ताक्षरित अनुरोध पत्र की स्कैन की गई प्रति के साथ-साथ अपने अनुरोध कंपनी के आरटीए को उनके ईमेल आईडी irg@integratedindia.in पर भेज सकते हैं।

7. कंपनी की सदस्यों की पंजी और शेयर अंतरण पुस्तकें 31 मार्च, 2020 को समाप्त वित्तीय वर्ष के लाभांश, यदि एजीएम में घोषित हो, का भुगतान करने के लिए सदस्यों की हकदारिता तय करने के प्रयोजनार्थ **गुरुवार, 17 सितंबर, 2020 से लेकर रविवार, 20 सितंबर, 2020** (दोनों दिनों को मिलाकर) बंद रखी जाएगी।

निदेशक मंडल ने ₹ 1 के पूर्ण चुकता शेयर पर ₹ 1.40/- (140%) प्रति इक्विटी शेयर के अंतरिम लाभांश की घोषणा की है जिसे वित्तीय वर्ष 2019-20 के दौरान अदा किया गया । ऐसे सदस्य जिन्होंने अपने लाभांश वारंटों का नकदीकरण नहीं किया है या प्राप्त नहीं किया है, वे कालातीत वारंटों को दोबारा विधिमान्य करने या कालातीत वारंटों / डीडी के स्थान पर डीडी प्राप्त करने के लिए कंपनी के पंजीयक और अंतरण एजेंट से संपर्क कर सकते हैं । निदेशक मंडल ने

Regulation 26(4) and 36(3) of the Listing Regulations and clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, are also annexed and forms part of the Notice of this meeting.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM and Annual Report 2019-20 will also be available on the Company's website www.bel-india.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

Members who have not registered their e-mail address are requested to temporarily register/update their e-mail address and mobile number with Company's RTA M/s Integrated Registry Management Services Pvt. Ltd., by clicking the link: https://www.integratedindia.in/emailupdation.aspx for the purpose of sending Notice of the AGM, Annual Report 2019-20 and e-voting instructions. Alternatively, Members may send their request to Company's RTA at their e-mail id irg@integratedindia.in along with scanned copy of request letter duly signed, providing the e-mail address, mobile number, self-attested PAN copy and client master copy in case of electronic folio and copy of share certificate in case of physical folio for sending Notice of the AGM, Annual Report 2019-20, and the e-voting instructions.

7. The Company's Register of Members and Share Transfer Books will remain be closed from **Thursday, 17 September, 2020 to Sunday, 20 September 2020** (both days inclusive) for the purpose of determining entitlement of Members for the payment of dividend for the financial year ended 31 March 2020, if declared at the AGM.

The Board of Directors has declared an interim dividend of ₹ 1.40/- (140%) per equity share of ₹ 1/- each fully paid-up which was paid during the financial year 2019-20. Members who have not encashed or not received their dividend warrants/DDs may approach Registrar and Transfer Agent of the Company for revalidating the expired warrants/DDs. The Board of Directors, in its Meeting held on 29 June 2020, has recommended a final dividend of

दिनांक 29 जून, 2020 को हुई अपनी बैठक में कंपनी के प्रति ₹ 1 प्रत्येक पर ईक्विटी शेयर पर रु. 1.40/- (140%) के अंतिम लाभांश की सिफारिश की है । वर्ष 2019-20 का अंतिम लाभांश, यदि एजीएम में घोषित हो, घोषणा की तारीख से 30 दिनों के भीतर ऐसे सदस्यों को देय होगा जिनके नाम 16 सितंबर 2020 को सदस्यों की कंपनी पंजी में वास्तविक शेयरों के रूप में दर्शित होंगे । बहरहाल, डीमटीरियल रूप में धारित शेयरों के संबंध में, लाभांश का भुगतान ऐसे व्यक्तियों को किया जाएगा जिनके नाम डिपोज़िटरियों द्वारा दिए गए विवरण के अनुसार 16 सितंबर 2020 को कारोबारी घंटों की समाप्ति पर हितलाभी स्वामियों के रूप में दर्शित होंगे।

9. इलेक्ट्रॉनिक रूप में शेयरों को धारित करने वाले सदस्य नोट करें कि डिपाज़िटरी सहभागी (डी.पी.) द्वारा प्रदान किए गए बैंक खाते के विवरण का उपयोग कंपनी द्वारा लाभांश वारंट मुद्रित करने के लिए किया जाएगा। ऐसे सदस्य जो अपने बैंक खाते के विवरण अद्यतन करना / बदलना चाहते हैं, वे एमआईसीआर कोड सहित बैंक खाते के संपूर्ण विवरण के साथ ऐसे परिवर्तनों के बारे में अपने संबंधित डी.पी. को सूचित कर सकते हैं। वास्तविक रूप में शेयरों को धारित करने वाले सदस्य कंपनी के आरटीए को निरस्त किया गए चैक के साथ अपने बैंक विवरण भेज सकते हैं। ऐसे शेयरधारक जिन्होंने अपने बैंक खाते के विवरण अद्यतन नहीं किए हैं, लाभांश वारंट / डिमांड ड्राफ्ट / चैक उनके दर्ज पतों पर भेजे जाएँगे। लाभांश वारंटों / डीडी की धोखाधड़ी से नकदीकरण करने से सुरक्षा प्रदान करने के लिए, शेयरधारकों से अनुरोध किया जाता है कि वे अपने संबंधित डिपाज़िटरी सहभागी (डी.पी.) के पास अपने बैंक खाते के विवरण अद्यतन करा लें।

10. सेबी के आज्ञापक परिपत्र दिनांक 20 अप्रैल, 2018 के तारतम्य में, शेयरों को वास्तविक रूप में धारित करने वाले सदस्य जिनके लेजर फोलियो स्थायी खाता संख्या (पैन) के साथ अद्यतन नहीं है, को अद्यतन हेतु कंपनी के आरटीए में उसे प्रस्तुत करना होगा। शेयरों को इलेक्ट्रॉनिक रूप में धारित करने वाले सदस्यों से अनुरोध है कि वे डी.पी. जिनके पास उनके इलेक्ट्रॉनिक खाते रखे गए हैं, को पैन प्रस्तुत करें।

11. 'हरित पहल' का समर्थन करने के लिए, ऐसे सदस्य जिन्होंने अब तक अपने ईमेल एड्रेस को दर्ज नहीं कराया है, से अनुरोध है कि वे अपने डीपी के पास दर्ज करा लें यदि शेयर इलेक्ट्रॉनिक रूप में धारित हैं और यदि उनके द्वारा वास्तविक रूप में धारित शेयर किए जाते हैं, तो कंपनी के आरटीए के पास दर्ज कराएँ।

    सदस्यों से अनुरोध है कि वे अपने नाम, डाक का पता, ईमेल एड्रेस, टेलीफोन / मोबाइल नंबर, स्थायी खाता संख्या (पैन), आदेश, नामांकन, मुख्तारनामा, बैंक विवरण जैसे बैंक का नाम और शाखा का विवरण, बैंक खाता संख्या, एमआईसीआर कोड, आईएफएससी कोड आदि से संबंधित परिवर्तन, यदि कोई हो, की सूचना अपने संबंधित डी.पी. को, यदि शेयर

₹ 1.40/- (140%) per equity share of ₹ 1/- each fully paid up. The Final Dividend for the year 2019-20, if declared at the AGM, will be paid within 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members as on 16 September 2020 in respect of physical shares. However, in respect of shares held in dematerialized form, the dividend will be payable to those persons whose names appear as beneficial owners as at the closure of the business hours on 16 September 2020 as per the details furnished by the depositories.

9. Members holding shares in electronic mode may note that bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Members who wish to update/change their bank account details may advise their respective DPs about such change with complete details of bank account including MICR Code. Members holding shares in physical form may send their bank details along with cancelled cheque to Company's RTA. For shareholders who have not updated their bank account details, dividend warrants/demand drafts/ cheques will be sent to their registered addresses. In order to provide protection against fraudulent encashment of dividend warrants/DDs, shareholders are requested to update their Bank account details with their respective Depository Participants (DPs).

10. Pursuant to SEBI mandate vide its circular dated 20 April 2018, Members holding shares in physical mode whose ledger folios have not been updated with Permanent Account Number (PAN) are required to submit the same to Company's RTA, for updation. Members holding shares in electronic form are requested to submit the PAN to DPs with whom they are maintaining their electronic accounts.

11. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's RTA in case the shares are held by them in physical form.

    Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to

इलेक्ट्रॉनिक रूप में धारित किए हों, और कंपनी के आरटीए मे. इंटीग्रेटेड रजिस्ट्री मैनेजमेंट सर्विसेस प्रा. लि., 30, रमणा रेसीडेन्सी, भूतल, 4था क्रॉस, सम्पिगे रोड, मल्लेश्वरम, बेंगलूरु - 560003 को, यदि शेयर वास्तविक रूप में धारित किए हों, को दें।

12. कंपनी अधिनियम, 2013 के प्रावधानों तथा निवेशक शिक्षा और सुरक्षा निधि प्राधिकारण (लेखांकन, लेखा परीक्षा, अंतरण और धन-वापसी) नियम, 2016 जिसे उसके संबंधित परिपत्रों एवं संशोधनों ('आई.ई.पी.एफ. नियम') के साथ पढ़ा जाना है, के तारतम्य में, नियत तारीख से सात वर्षों की अवधि के लिए अदत्त या दावा न की गई लाभांश की राशि को केंद्र सरकार द्वारा गठित निवेशक शिक्षा एवं सुरक्षा निधि (आई.ई.पी.एफ.) को अंतरित करना आवश्यक है । तदनुसार, कंपनी ने आई.ई.पी.एफ. को अंतिम लाभांश वर्ष 2011-12 से संबंधित अदत्त और दावा न की गई राशि ₹ 1,15,408.80 अंतरित कर दिया है ।

वर्ष 2012-13 का दावा न किया गया / अदत्त अंतिम लाभांश तथा वर्ष 2013-14 का अंतरिम लाभांश वर्ष 2020-21 के दौरान आईईपीएफ को अंतरित किया जाना है । कंपनी ने यथा 31 मार्च, 2020 को कंपनी के पास मौजूद अदत्त और दावा न की गई राशियों के विवरण कंपनी की वेबसाइट www.bel-india.in पर अपलोड कर दिया है । दावा किए जाने वाले लाभांश का दावा करने के इच्छुक सदस्यों से अनुरोध है कि वे पंजीयक व शेयर अंतरण एजेंट या कंपनी के पंजीकृत कार्यालय में कंपनी सचिव के साथ पत्राचार करें।

अधिनियम की धारा 124 के तहत यथा आवश्यक, ऐसे इक्विटी शेयर जिनके संबंध में सदस्यों द्वारा निरंतर सात वर्षों या उससे अधिक की अवधि के लिए दावा नहीं किया गया है, को कंपनी द्वारा आईईपीएफ में अंतरित किया गया है । अंतरित किए गए शेयरों का विवरण कंपनी की वेबसाइट www.bel-india.in पर अपलोड किया गया है।

13. सदस्यों को सूचित किया जाता है कि सेबी (एलओडीआर) विनियम, 2015 (यथा संशोधित), के विनियम 40(1) के तारतम्य में, वास्तविक रूप में प्रतिभूतियों का अंतरण करने के अनुरोध पर कंपनी द्वारा तब तक कर्यवाही नहीं की जाएगी जब तक प्रतिभूतियों के पारेषण या रूपांतरण के मामलों को छोडकर प्रतिभूतियाँ डिपोजिटरी के पास डीमटीरियलीकृत रूप में धारित की जाती है इसलिए सदस्यों से अनुरोध किया जाता है कि वे वास्तविक रूप से धारित प्रतिभूतियों का डीमैट करा लें ।

14. वित्त अधिनियम, 2020 के अनुसार, दिनांक 1 अप्रैल, 2020 से शेयरधारकों द्वारा प्राप्त लाभांश आय कर-योग्य होगी और कंपनी को निर्धारित दरों पर सदस्यों को अदा किए गए लाभांश से स्रोत पर कर (टी.डी.एस.) की कटौती करनी होगी। विभिन्न वर्गों की निर्धारित दरों के लिए, सदस्यों से अनुरोध

their respective DPs, in case the shares are held by them in electronic form and to the Company's RTA M/s Integrated Registry Management Services Pvt. Ltd., 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560003, in case the shares are held by them in physical form.

12. Pursuant to the provisions of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('the IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 1,15,408.80 being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the year 2011-12 to IEPF.

The unclaimed/ unpaid final dividend for the year 2012-13 and interim dividend for the year 2013-14 are due for transfer to IEPF during 2020-21. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March 2020 on the website of the Company www.bel-india.in. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agents or the Company Secretary, at the Company's Registered Office.

As required under Section 124 of the Act, equity shares, in respect of which dividend has not been claimed by the Members for seven consecutive years or more, have been transferred by the Company to IEPF. Details of shares transferred have been uploaded on the website of the Company www.bel-india.in.

13. Members are informed that pursuant to Reg.40(1) of SEBI (LODR) Regulations, 2015 (as amended), request for effecting transfer of securities in physical form shall not be processed by the Company unless the securities are held in dematerialized form with a Depository, except in case of transmission or transposition of securities. Hence the Members are requested to dematerialize their physical holding.

14. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories,

है कि वे वित्त अधिनियम, 2020 और उसके संशोधन देखें । कंपनी को उचित टीडीएस तय करने / कर दर लागू करना रोक रखने में सक्षम बनाने हेतु, सदस्यों से अनुरोध है कि वे **28 सितंबर, 2020** से पहले https://www.integratedindia.in/ExemptionFormSubmission.aspx में कंपनी के आरटीए मे. इंटीग्रेटेड रजिस्ट्री मैनेजमेंट सर्विसेस प्रा. लि. में अपेक्षित दस्तावेज अपलोड करा लें। उसके बाद कर निर्धारण / कटौती के बारे में किसी पत्राचार पर विचार नहीं किया जाएगा। शेयरधारकों से अनुरोध है कि वे कंपनी / कंपनी के आरटीए (यदि शेयर वास्तविक रूप में धारित करते हों) और डिपाज़िटरी (यदि शेयर डीमैट माध्यम में धारित किए हों) में अपने पैन को अद्यतन करा लें।

15. जो सदस्य एजीएम में प्रस्तुत किए जाने वाले खाते या किसी अन्य मामले के संबंध में कोई जानकारी चाहते हैं, उनसे अनुरोध है कि वे secretary@bel.co.in पर ईमेल द्वारा एजीएम की तारीख से कम से कम 7 दिन पहले कंपनी को इस बारे में लिखें। इस पर कंपनी द्वारा उचित उत्तर दिया जाएगा।

16. ऐसे सदस्य जो शेयरों को वास्तविक रूप में धारित करते हैं, कंपनी (शेयर पूँजी एवं ऋणपत्र) नियम, 2014 में वर्णित अनुसार फार्म एसएच-13 में किसी भी ऐसे व्यक्ति को नामित करते हुए कंपनी अधिनियम, 2013 की धारा 72 के परिप्रेक्ष्य में नामांकन की सुविधा प्राप्त कर सकते हैं जिन्हें कंपनी में उनके शेयर उक्त फार्म में बताई गई घटना के घटित होने पर प्राप्त होते हैं। वास्तविक रूप में शेयरों को धारित करने वाले व्यक्ति कंपनी के आरटीए को फार्म एसएच-13 दो प्रतियों में भेजें। यदि शेयर डीमटीरियलीकृत रूप में धारित किए जाते हैं तो संबंधित डीपी में नामांकन दर्ज कराए जाएँ।

17. कंपनी ने 66वीं एजीएम के लिए वीडियों कांफ्रेसिंग की सुविधा प्रदान करने हेतु सेंट्रल डिपोज़िटरी सर्विसेस (भारत) लिमिटेड (सीडीएसएल) को नियुक्त किया है । सदस्य वीसी / ओएवीएम के माध्यम से एजीएम में भाग लेने या अपनी सुरक्षित लॉगिन क्रेडेंशियल का उपयोग करते हुए https://www.evotingindia.com की ई-वोटिंग वेबसाइट पर लॉग इन कर एजीएम के लाइव वेबकास्ट को देख सकेंगे ।

18. वीसी / ओएवीएम के माध्यम से एजीएम में भाग लेने के लिए सदस्यों के लिए अनुदेश –

क. सदस्यों को सीडीएसएल की ई-वोटिंग सिस्टम द्वारा वीसी / ओएवीएम के माध्यम से एजीएम में भाग लेने की सुविधा प्रदान की जाएगी। सदस्य https://www.evotingindia.com में सुदूर ई-वोटिंग संबंधी जानकारी का इस्तेमाल करते हुए शेयरधारक / सदस्य के लॉगिन के तहत उक्त सुविधा प्राप्त कर सकते हैं। वीसी / ओएवीएम का लिंक शेयरधारक / सदस्य के लॉगिन में उपलब्ध होगा जहाँ कंपनी का ईवीएसएन प्रदर्शित होगा।

the Members are requested to refer to the Finance Act, 2020 and amendments thereof. To enable the Company to determine the appropriate TDS/ withholding tax rate applicability, Members are requested to upload the requisite documents with the Company's RTA M/s Integrated Registry Management Services Pvt. Ltd. at https://www.integratedindia.in/ExemptionFormSubmission.aspx on or before **28 September 2020**. No communication on the tax determination / deduction shall be entertained thereafter. The shareholders are requested to update their PAN with the Company / Company's RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 7 days before that date of AGM through e-mail at secretary@bel.co.in. The same will be suitably replied by the Company.

16. Members, holding shares in physical form, may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form SH-13 as prescribed in the Companies (Share Capital & Debentures) Rule, 2014, any person to whom their shares in the Company shall vest on occurrence of event stated in the Form. Persons holding shares in physical form may send Form SH-13 in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective DPs.

17. The Company has appointed Central Depository Services (India) Limited (CDSL), to provide Video Conferencing facility for the 66th AGM of the Company. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of the AGM by logging on the e-voting website of https://www.evotingindia.com using their secure login credentials.

18. Instructions for the Members for attending the AGM through VC/OAVM:

a. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

ख. बेहतर अनुभव के लिए शेयरधारकों को लैपटॉप / आईपैड द्वारा बैठक में भाग लेने का अनुरोध किया जाता है। इसके अलावा, बैठक के दौरान किसी प्रकार के व्यवधान से बचने के लिए शेयरधारकों को अपने लैपटॉप / आई पॉड के कैमेरा और अच्छी स्पीड युक्त इंटरनेट का उपयोग करना होगा।

ग. कृपया नोट करें कि मोबाइल डिवाइस या टैबलेट से या मोबाइल हॉटस्पॉट के ज़रिए जुड़ने वाले सहभागियों को अपने संबंधित नेटवर्क में परिवर्तन के कारण ऑडियो / वीडियो का व्यवधान हो सकता है। इसलिए, सुझाव दिया जाता है कि इस प्रकार की परेशानियों को कम करने के लिए स्थिर वाई-फाई या लैन कनेक्शन का इस्तेमाल करें।

घ. सदस्य सूचना में उल्लिखित प्रक्रिया का पालन करते हुए एजीएम के शुरु होने के निर्धारित समय से 15 मिनट पहले और एजीएम के दौरान वीसी / ओएवीएम के माध्यम से एजीएम में शामिल हो सकते हैं।

ङ. वीसी / ओएवीएम द्वारा एजीएम में भाग लेने की सुविधा पहले आओ – पहले पाओ आधार पर 1200 सदस्यों को उपलब्ध कराई जाएगी। बृहद् शेयरधारकों (जहाँ शेयरधारकों की शेयरधारिता 2% या उससे अधिक है), प्रवर्तकों, संस्थागत निवेशकों, निदेशकों, मुख्य प्रबंधकीय कार्मिकों, लेखा परीक्षा समिति, नामांकन व पारिश्रमिक समिति और पणधारक संबंध समिति के अध्यक्षों, लेखा परीक्षकों आदि के लिए एजीएम में पहले आओ-पहले पाओ आधार पर प्रवेश में कोई प्रतिबंध नहीं होगा।

च. सदस्य अपने रिमोट ई-वोटिंग सूचनाओं का उपयोग करते हुए सीडीएसएल द्वारा दिए गए वीडियो कॉन्फरेंसिंग प्लेटफार्म प्राप्त कर सकते हैं। कृपया नोट करें कि ऐसे सदस्य जिनके पास ई-वोटिंग के लिए यूज़र आईडी और पासवर्ड नहीं है या जो अपना यूज़र आईडी और पासवर्ड भूल गए हैं, वे इस रिमोट ई-वोटिंग अनुदेशों का पालन करते हुए उन्हें दोबारा प्राप्त कर सकते हैं।

छ. ऐसे सदस्य जो एजीएम के दौरान अपने विचार रखना चाहते हैं या प्रश्न पूछना चाहते हैं वे 18 सितंबर 2020 (सुबह 9.00 बजे आई.एस.टी.) से 27 सितंबर 2020 (शाम 5 बजे आई.एस.टी.) तक secretary@bel.co.in में कंपनी को ईमेल भेजते हुए स्पीकर के रूप में स्वयं को पंजीकृत कर सकते हैं। जिन सदस्यों ने स्वयं को स्पीकर के रूप में पंजीकृत किया है, केवल वे ही एजीएम के दौरान अपने विचार रख सकते हैं / प्रश्न पूछ सकते हैं। कंपनी एजीएम में समय की उपलब्धता पर निर्भर करते हुए स्पीकरों की संख्या को सीमित करने का अधिकार सुरक्षित रखती है। कृपया नोट करें कि सदस्यों के प्रश्नों के उत्तर तभी दिए जाएँगे जब शेयरधारक निर्दिष्ट तारीख पर कंपनी के शेयर धारित करते हैं।

b. Shareholders are requested to join the Meeting through Laptops / IPads for better experience. Further shareholders will be required to allow camera of their Laptops / IPads and use internet with a good speed to avoid any disturbance during the meeting.

c. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

d. The Members can join the AGM through VC/OAVM, 15 minutes before the scheduled time of commencement of AGM and during the AGM by following the procedure mentioned in the Notice.

e. The facility of participation at the AGM through VC/OAVM will be made available to 1200 Members on first come first served basis. No restrictions on account of first come first served basis entry into AGM will be applicable to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

f. Members may access the video conferencing platform provided by CDSL by using their remote e-voting credentials. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions.

g. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending e-mail to the Company at secretary@bel.co.in from 18 September 2020 (9:00 a.m. IST) to 27 September 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that, Members questions will be answered only if the shareholder continues to hold shares of the Company as on the cut-off date.

19. कंपनी अधिनियम, 2013 की धारा 108 जिसे कंपनी (प्रबंधन एवं प्रशासन) नियम, 2014 (यथा संशोधित) के नियम 20, सेबी (सूचीकरण की बाध्यताएँ एवं प्रकटीकरण की अपेक्षाएँ) विनियम, 2015 (यथा संशोधित) के विनियम 44 और एमसीए परिपत्रों के साथ पढ़ा जाना है, के अनुपालन में, कंपनी एजीएम में व्यवहरित कारोबार के संबंध में अपने सदस्यों को रिमोट ई-वोटिंग की सुविधा प्रदान कर रही है। इस प्रयोजनार्थ, कंपनी ने इलेक्ट्रॉनिक माध्यम से वोटिंग सुकर बनाने के लिए, अधिकृत रिमोट ई-वोटिंग एजेंसी के रूप में, सेंट्रल डिपोज़िटरी सर्विसेस (इंडिया) लिमिटेड (सीडीएसएल) के साथ एक करार किया है। रिमोट ई-वोटिंग का उपयोग करने वाले सदस्यों द्वारा मताधिकार का प्रयोग करने तथा एजीएम में ई-वोटिंग की सुविधा सीडीएसएल द्वारा प्रदान की जाएगी। रिमोट ई-वोटिंग के अनुदेश नीचे दिए गए हैं -

रिमोट ई-वोटिंग के लिए सदस्यों के लिए अनुदेश -

(i) रिमोट ई-वोटिंग अवधि **शनिवार, 26 सितंबर 2020 को सुबह 9 बजे आईएसटी** से शुरु होगी और **मंगलवार, 29 सितंबर 2020 को शाम 5.00 बजे आईएसटी** को समाप्त होगी। इस अवधि के दौरान, कंपनी के सदस्य जो **23 सितंबर 2020** की निर्दिष्ट तारीख को शेयरों को वास्तविक रूप में या डीमटीरियलीकृत रूप में धारित करते हैं, अपने मताधिकार का प्रयोग इलेक्ट्रॉनिक रूप से कर सकते हैं। रिमोट ई-वोटिंग मॉड्यूल उसके बाद सीडीएसएल द्वारा निष्क्रिय कर दिया जाएगा।

(ii) ऐसे सदस्य जिन्होंने बैठक की तारीख से पहले ही वोटिंग किया है, वे एजीएम में वोटिंग करने के हकदार नहीं होंगे।

(iii) सदस्यों को ई-वोटिंग वेबसाइट www.evotingindia.com पर लॉग ऑन करना होगा।

(iv) "शेयरधारक" मॉड्यूल में क्लिक करें।

(v) अब अपना यूज़र आईडी दर्ज करें -

क. सीडीएसएल के लिए-16 अंकों का हितलाभी आईडी,

ख. एनएसडीएल के लिए - 8 कैरेक्टर का डीपी आईडी और उसके बाद 8 अंकों का क्लाइंट आईडी,

ग. शेयरों को वास्तविक रूप में धारित करने वाले सदस्यों को कंपनी के पास दर्ज फोलियो नंबर दर्ज करना होगा।

या

वैकल्पिक रूप से, यदि आप सीडीएसएल के **EASI/EASIEST** ई-सेवा में पंजीकृत हैं तो, अपने लॉगिन जानकारी देते हुए Login - Myeasi से https://www.cdslindia.com में लॉगिन कर सकते हैं। सीडीएसएल की **EASI/EASIEST** ई-सेवा में सफलतापूर्वक लॉगिन होने पर, **e-Voting**

19. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by Members using remote e-voting as well as the e-voting at the AGM will be provided by CDSL. The instructions for remote e-voting are as under:

Instructions for Members for Remote E-voting:

(i) The remote e-voting period begins on **Saturday, the 26 September 2020 at 9:00 A.M. IST** and ends on **Tuesday, the 29 September 2020 at 5:00 P.M. IST**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **23 September 2020** may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the AGM.

(iii) The Members should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting**

विकल्प पर क्लिक करें और सीधे ही इलेक्ट्रॉनिक रूप से वोटिंग करें ।

(vi) इसके बाद प्रदर्शित इमेज सत्यापन को दर्ज करें और लॉगिन पर क्लिक करें।

(vii) यदि आप शेयरों को डीमैट रूप में रखते हैं और www.evotingindia.com पर आपने लॉग ऑन कर किसी कंपनी के पहले के ई-वोटिंग पर वोटिंग किया है तो आपके मौजूदा पासवर्ड का उपयोग करना है।

(viii) यदि आप पहली बार इसका उपयोग कर रहे हैं तो नीचे दिए गए चरणों का पालन करें -

डीमैट रूप में और वास्तविक रूप में शेयरों को धारित करने वाले शेयरधारकों के लिए	
पैन	आयकर विभाग द्वारा जारी अपने 10 अंकों का अक्षरांकीय *पैन दर्ज करें (डीमैट शेयरधारकों और वास्तविक रूप में शेयरों को धारित करने वाले शेयरधारक, दोनों के लिए) ऐसे शेयरधारक जिन्होंने कंपनी / डिपाज़िटरी सहभागी के पास अपना पैन अद्यतन नहीं किया है, उनसे अनुरोध है कि वे तारतम्य संख्या का उपयोग करें। तारतम्य संख्या प्राप्त करने के लिए ईमेल आईडी irg@integratedindia.in पर कंपनी के आरटीए को अनुरोध भेजें।
लाभांश बैंक विवरण **या** जन्म तिथि (डीओबी)	लॉगिन करने के लिए अपने डीमैट खाते में या कंपनी के अभिलेखों में दर्ज किए गए अनुसार लाभांश बैंक विवरण या जन्म तिथि (dd/mm/yyyy प्रारूप में) दर्ज करें । यदि दोनों विवरण डिपोज़िटरी या कंपनी में दर्ज नहीं हैं तो अनुदेश (v) में दिए गए अनुसार लाभांश बैंक विवरण के स्थान पर सदस्य आईडी / फोलियो नंबर दर्ज करें।

(ix) इन विवरण को उचित ढंग से दर्ज करने के बाद, "SUBMIT" टैब पर क्लिक करें।-

(x) शेयरों को वास्तविक रूप में धारित करने वाले सदस्यों को इसके बाद कंपनी का चयन स्क्रीन दिखेगा। बहरहाल, डीमैट रूप में शेयरों को धारित करने वाले सदस्यों को अब 'Password Creation' मेन्यू दिखेगा जिसमें उन्हें नए पासवर्ड फील्ड में अपना लॉगिन पासवर्ड अनिवार्य रूप से दर्ज करना होगा। कृपया ध्यान दें कि इस पासवर्ड का उपयोग किसी अन्य कंपनी जिसमें वे वोटिंग करने के पात्र हैं, के संकल्पों हेतु वोटिंग करने के लिए डीमैट धारकों द्वारा भी किया जाएगा बशर्ते कि कंपनी सीडीएसएल प्लेटफार्म द्वारा ई-वोटिंग का विकल्प लेती हो। इस बात की सख्त हिदायत दी जाती है कि आप अपना पासवर्ड किसी

option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. Please send a request to Company's RTA at their e-mail ID irg@integratedindia.in to get sequence number.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person

अन्य व्यक्ति के साथ साझा न करें और अपने पासवर्ड के संबंध में पूरी गोपनीयता बरतें।

(xi) शेयरों को वास्तविक रूप में धारित करने वाले सदस्यों के लिए, इस विवरणों का उपयोग इस सूचना में शामिल संकल्पों पर ई-वोटिंग के लिए ही किया जा सकता है।

(xii) भारत इलेक्ट्रॉनिक्स लिमिटेड के लिए ईवीएसएन पर क्लिक करें, जिस पर आप वोटिंग करना चाहते हैं ।

(xiii) वोटिंग पृष्ठ पर, आपको "RESOLUTION DESCRIPTION" दिखाई देगा और उसी विकल्प के सामने वोटिंग के लिए "YES/NO" विकल्प होगा । इच्छानुसार हाँ या नहीं के विकल्प का चयन करें । विकल्प हाँ का अर्थ है कि आप संकल्प को स्वीकार करते हैं और विकल्प नहीं का अर्थ है कि आप संकल्प को अस्वीकार करते हैं ।

(xiv) यदि आप संपूर्ण संकल्प विवरण देखना चाहते हैं, तो "RESOLUTIONS FILE LINK" पर क्लिक करें ।

(xv) आप जिस संकल्प पर वोटिंग करना चाहते हैं उसका चयन करने के बाद, "SUBMIT" पर क्लिक करें । एक पुष्टीकरण बॉक्स प्रदर्शित किया जाएगा । यदि आप अपने वोटिंग की पुष्टि करना चाहते हैं तो "OK" पर क्लिक करें, अपने वोटिंग को बदलने के लिए "CANCEL" पर क्लिक करें और तदनुसार अपने वोटिंग को संशोधित करें ।

(xvi) एक बार जब आप संकल्प पर वोटिंग "CONFIRM" कर देते हैं, तो आपको अपना वोटिंग संशोधित करने की अनुमति नहीं होगी ।

(xvii) आप वोटिंग पृष्ठ पर "Click here to print" विकल्प पर क्लिक कर किए गए वोटिंग का प्रिंट भी ले सकते हैं ।

(xviii) यदि कोई डीमैट खाता धारक लॉगिन पासवर्ड भूल गया है, तो यूज़र आईडी और इमेज वेरिफिकेशन कोड दर्ज करें और फॉर्गोट पासवर्ड पर क्लिक करें और सिस्टम द्वारा बताए गए विवरण दर्ज करें ।

(xix) शेयरधारक सीडीएसएल के मोबाइल ऐप "**m-Voting**" का उपयोग करते हुए भी अपना वोट डाल सकते हैं । M-Voting ऐप को संबंधित स्टोर से डाउनलोड किया जा सकता है । कृपया अपने मोबाइल पर सुदूर वोटिंग करने के दौरान मोबाइल ऐप द्वारा बताए गए निर्देशों का पालन करें ।

(xx) गैर-व्यक्तिगत शेयरधारकों और संरक्षकों के लिए नोट-

- गैर-व्यक्तिगत शेयरधारकों (यानी व्यक्ति, एचयूएफ, एनआरआई आदि के अलावा) और संरक्षकों को www.evotingindia.com पर लॉग इन करना होगा और स्वयं को "Corporates" मॉड्यूल में पंजीकृत करना होगा ।

and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for Bharat Electronics Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

(xx) Note for Non-individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- संस्था के स्टैंप और हस्ताक्षर के साथ पंजीकरण प्रारूप की एक स्कैन की गई प्रति helpdesk.evoting@cdslindia.com पर ई-मेल की जानी चाहिए ।
- लॉगिन विवरण प्राप्त करने के बाद एडमिन लॉगिन और पॉसवर्ड का उपयोग करते हुए एक कंप्लाइंस यूज़र बनाया जाना चाहिए । कंप्लाइंस यूज़र उस खाते को लिंक करने में सक्षम होंगे जिसके लिए वे वोटिंग देना चाहते हैं ।
- लॉगिन में जुड़े खातों की सूची helpdesk.evoting@cdslindia.com पर मेल की जानी चाहिए और उन खातों को अनुमोदन प्राप्त करने पर अपना वोटिंग दे सकेंगे ।
- मंडल के संकल्प और मुख्तारनामे (पीओए) की स्कैन की गई प्रति, जो उन्होंने संरक्षक के पक्ष में जारी की है, यदि कोई हो, तो संवीक्षक को उसका सत्यापन करने के लिए सिस्टम में पीडीएफ प्रारूप में अपलोड किया जाना चाहिए ।
- वैकल्पिक रूप से गैर व्यक्तिगत शेयरधारकों को वोटिंग देने के लिए अधिकृत प्राधिकृत हस्ताक्षरकर्ता के प्रमाणित हस्ताक्षर के साथ संबंधित मंडल संकल्प / प्राधिकरण पत्र आदि gthirupal@gmail.com पर संवीक्षक को भेजें तथा उसकी एक प्रति कंपनी रजिस्ट्रार और ट्रांसफर एजेंट (आरटीए) मेसर्स इंटीग्रेटेड रजिस्ट्री मैनेजमेंट सर्विसेस प्रा.लि. को irg@integratedindia.in पर भेजें, यदि उन्होंने वैयक्तिक टैब से वोटिंग किया है और उसे सत्यापन करने के लिए संवीक्षक हेतु सीडीएसएल ई-वोटिंग प्रणाली में अपलोड नहीं किया है ।

यदि सदस्यों को एजीएम में भाग लेने और ई-वोटिंग प्रणाली से ई-वोटिंग करने के संबंध में कोई प्रश्न या समस्या है तो, वे अक्सर पूछे जाने वाले प्रश्न ("एफएक्यू") तथा www.evotingindia.com पर सहायता खंड के तहत उपलब्ध ई-वोटिंग मैनुअल देख सकते हैं या helpdesk.evoting@cdslindia.com पर ई-मेल भेज सकते हैं या श्री. नितिन कुंदर (022-23058738) या श्री महबूब लखानी (022-23058543) या श्री राकेश दालवी (022-23058542) से संपर्क कर सकते हैं ।

इलेक्ट्रॉनिक माध्यमों से वोटिंग की सुविधा से संबंधित सभी शिकायतें श्री राकेश दालवी, प्रबंधक, सेंट्रल डिपॉजिटरी सर्विसेज (इंडिया) लिमिटेड (सीडीएसएल), ए विंग, 25वाँ तल, मैराथन फ्यूचरेक्स, मफतलाल मिल कम्पाउंड्स, एन एम जोशी मार्ग, लोअर परेल (पूर्व), मुंबई - 400013 को भेजें या helpdesk.evoting@cdslindia.com पर ईमेल भेजें या 022-23058542 / 43 पर कॉल करें ।

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer through e-mail at gthirupal@gmail.com with a copy marked to Company's Registrar and Transfer Agent (RTA) M/s Integrated Registry Management Services Pvt. Ltd. at irg@integratedindia.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If Members have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, they may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

इस सूचना में प्रस्तावित संकल्पों के ई-वोटिंग के लिए लॉगिन क्रेडेंशियल्स प्राप्त करने हेतु डिपॉजिटरी / कंपनी के आरटीए के साथ जिनका ई-मेल एड्रेस पंजीकृत नहीं है, उन सदस्यों के लिए प्रक्रिया-

क) वास्तविक रूप से शेयर धारित करने वालों के लिए- कृपया फोलियो सं., शेयर धारक का नाम, शेयर प्रमाणपत्र की स्कैन की गई कॉपी (आगे और पीछे), पैन(पैन कार्ड की स्व अभिप्रमाणित स्कैन की गई कॉपी), आधार (आधार कार्ड की स्व अभिप्रमाणित स्कैन की गई कॉपी) जैसे आवश्यक ब्योरे कंपनी के आरटीए को उनके मेल आईडी irg@integratedindia.in पर भेजें ।

ख) डीमैट शेयरधारकों के लिए- कृपया डीमैट खाता विवरण (सीडीएसएल-16 डिजिट बेनेफिशरी आईडी या एनएसडीएल-16 डिजिट डीपीआईडी + सीएलआईडी), नाम, क्लाइंट मास्टर या समेकित वित्तीय विवरण की प्रति, पैन(पैन कार्ड की स्व अभिप्रमाणित स्कैन की गई प्रति), आधार (आधार कार्ड की स्व अभिप्रमाणित स्कैन की गई प्रति) कंपनी के आरटीए को उनके मेल आईडी irg@integratedindia.in पर प्रदान करे ।

एजीएम के दौरान ई-वोटिंग देने हेतु सदस्यों के लिए अनुदेश-

क) एजीएम के दिन ई-वोटिंग की प्रक्रिया सुदूर ई-वोटिंग के लिए ऊपर बताए गए अनुदेशों के समान है ।

ख) केवल ऐसे सदस्यों के लिए, जो वीसी/ओएवीएम सुविधा के माध्यम से एजीएम में उपस्थित हैं और जिन्होंने सुदूर ई-वोटिंग के माध्यम से संकल्पों पर अपने मताधिकार का प्रयोग नहीं किया है और जो अन्यथा ऐसे करने से विवर्जित नहीं हैं, एजीएम के दौरान उपलब्ध सुदूर ई-वोटिंग के माध्यम से वोटिंग करने के लिए पात्र होंगे। हालांकि, सुदूर ई-वोटिंग के माध्यम से वोटिंग करने वाले सदस्य एजीएम में भाग लेने के लिए पात्र होंगे ।

ग) यदि एजीएम के दौरान उपलब्ध ई-वोटिंग के दौरान सदस्यों द्वारा कोई वोटिंग किया गया और ऐसे सदस्य वीसी/ओएवीएम के माध्यम से बैठक में भाग नहीं लिया है तो, ऐसे सदस्यों द्वारा किए गए वोटिंग को अवैध माना जाएगा, क्योंकि बैठक के दौरान ई-वोटिंग करने की सुविधा केवल बैठक में भाग लेने वाले सदस्यों के लिए उपलब्ध है ।

घ) जिन सदस्यों ने सुदूर ई-वोटिंग के माध्यम से वोटिंग किया है, वे एजीएम में भाग लेने के लिए पात्र होंगे । हालांकि, वे एजीएम में वोटिंग करने के पात्र नहीं होंगे।

ङ) ऐसे व्यक्ति के विवरण, जिन्हें एजीएम के दिन ई-वोटिंग सुविधा से संबंधित किसी शिकायत के लिए संपर्क किया जाना है, वही व्यक्ति होंगे जिनका उल्लेख सुदूर ई-वोटिंग के लिए किया गया है ।

Process for those Members whose e-mail addresses are not registered with the Depositories/Company's RTA for obtaining login credentials for e-voting for the resolutions proposed in this notice:

a) For Physical shareholders: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to Company's RTA at their e-mail id irg@integratedindia.in.

b) For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company's RTA at their e-mail id irg@integratedindia.in.

Instructions for Members for e-voting during the AGM:

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

b) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM. However, Members who have voted through Remote e-voting will be eligible to attend the AGM.

c) If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

d) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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

20. एजीएम में भाग लेने वाले संयुक्त धारक के मामले में, ऐसे सदस्य जिनके नाम कंपनी के सदस्यों के रजिस्टर के अनुसार नामों के क्रम में पहले आते हैं, वे ही वोटिंग करने के हकदार होंगे ।

21. कंपनी के निदेशक मंडल ने ई-वोटिंग की प्रक्रिया की उचित एवं पारदर्शी ढंग से छानबीन करने के लिए श्री तिरुपाल गोरिगे, एफसीएस 6680, पेशेवर कंपनी सचिव को स्क्रूटिनाइज़र नियुक्त किया है । स्क्रूटिनाइज़र एजीएम में वोटिंग पूरा होने के तुरंत बाद, एजीएम में किए गए वोटिंग की गणना करेंगे और तदुपरांत सुदूर ई-वोटिंग के माध्यम से किए गए वोटिंग को खोलेंगे और एजीएम की समाप्त के बाद अधिकतम 48 घंटों के भीतर, पक्ष या विपक्ष, यदि कोई हो, में डाले गए कुल मतों की समेकित स्क्रूटिनाइज़र रिपोर्ट कंपनी के अध्यक्ष को पेश करेंगे । अध्यक्ष या उनके द्वारा प्राधिकृत व्यक्ति किए गए वोटिंग के नतीजों की घोषणा करेंगे ।

    अध्यक्ष या उनके द्वारा प्राधिकृत व्यक्ति द्वारा नतीजों की घोषणा करने के तुरंत बाद स्क्रूटिनाइज़र की रिपोर्ट के साथ-साथ इन नतीजों को कंपनी की वेबसाइट www.bel-india.in पर तथा एनएसडीएल की वेबसाइट पर लगाए जाएँगे और इसकी सूचना बाम्बे स्टॉक एक्सचेंज लिमिटेड तथा नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड को दी जाएगी ।

22. प्रस्तावित संकल्पों को एजीएम की तारीख में पारित किया गया माना जाएगा, जो इन संकल्पों के पक्ष में मतों की अपेक्षित संख्या प्राप्त करने के अधीन होगा ।

23. कंपनी अधिनियम, 2013 की धारा 170 के तहत निदेशकों और मुख्य प्रबंधकीय कार्मिकों तथा उनकी शेयरधारिता का रजिस्टर रखा गया है और ऐसी संविदाओं और व्यवस्थाओं का रजिस्टर, जिसमें निदेशक रुचि रखते हैं और जिसे कंपनी अधिनियम, 2013 की धारा 189 के तहत रखा गया है, तथा इस सूचना में संदर्भित अन्य सभी दस्तावेज़ इस सूचना के परिचालन की तारीख से लेकर एजीएम की तारीख यानी 30 सितंबर, 2020 तक बिना किसी शुल्क से सदस्यों द्वारा इलेक्ट्रॉनिक रूप से निरीक्षण के लिए उपलब्ध कराई जाएगी । ऐसे दस्तावेज़ों का निरीक्षण करने के इच्छुक सदस्य अपना अनुरोध ई-मेल आईडी secretary@bel.co.in पर भेज सकते हैं ।

24. एजीएम के दर्ज प्रतिलेख कंपनी द्वारा रखे जाएंगे और बैठक के समाप्त होने के तुरंत बाद कंपनी की वेबसाइट www.bel-india.in के निवेशक खंड में उपलब्ध कराए जाएँगे ।

25. चूँकि एजीएम वीसी / ओएवीएम के माध्यम से आयोजित किया जाएगा, इसलिए इस सूचना के साथ रूट मैप संलग्न नहीं किया गया है ।

20. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

21. The Board of Directors of the Company has appointed Mr Thirupal Gorige, FCS 6680, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, a consolidated Scrutinizer's Report of the total number of votes cast in favor of or against or invalid, if any, not later than 48 hours after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

    The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.bel-india.in and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorised by the Chairman, and the same shall be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

22. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

23. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members electronically without any fee from the date of circulation of this Notice up to the date of AGM i.e. 30 September 2020. Members seeking to inspect such documents can send their request at the e-mail ID secretary@bel.co.in

24. The recorded transcript of the AGM, shall be maintained by the Company and also be made available on the website of the Company www.bel-india.in in the Investor Section, at the earliest soon after the conclusion of the Meeting.

25. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

सूचना का अनुलग्नक

कंपनी अधिनियम, 2013 की धारा 102 के तहत व्याख्यात्मक विवरण ।

मद सं. 4 के संबंध में -

सरकार ने अपने पत्र दिनांक 22 जुलाई 2019 द्वारा श्रीमती शिखा गुप्ता (डीआईएन: 08597649) को उनकी सेवानिवृत्ति या अगले आदेश की तारीख तक, इनमें से जो भी पहले हो, बीईएल के मंडल में निदेशक (अन्य यूनिटें) नियुक्त किया है ।

कंपनी अधिनियम, 2013 की धारा 161(1) और संस्था के अंतर्नियमों के अनुच्छेद 71सी के तारतम्य में, निदेशक मंडल ने श्रीमती शिखा गुप्ता को इस वार्षिक सामान्य बैठक की तारीख तक पदभार संभालने के लिए अपर निदेशक के रूप में नियुक्त किया है। तदुपरांत कंपनी ने अधिनियम की धारा 160 के तहत एक सदस्य से श्रीमती शिखा गुप्ता को कंपनी का निदेशक नियुक्त करने, जो चक्रानुक्रम से सेवानिवृत्त होंगे, के प्रस्ताव के संबंध में अपना आशय व्यक्त करते हुए लिखित में एक सूचना प्राप्त की है।

श्रीमती शिखा गुप्ता (डीआईएन: 08597649) को छोड़कर कोई भी कंपनी के निदेशक, मुख्य प्रबंधकीय कार्मिक या उनके रिश्तेदार, इस बैठक की सूचना के मद सं. 4 में निर्धारित संकल्प में, आर्थिक या अन्य किसी प्रकार से संबंधित या इच्छुक नहीं हैं।

मंडल इस संकल्प के लिए सदस्यों के अनुमोदन के लिए प्रस्ताव की सिफारिश करता है ।

मद सं. 5 के संबंध में -

सरकार ने अपने पत्र दिनांक 29 अप्रैल 2020 द्वारा श्री दिनेश कुमार बत्रा को (डीआईएन- 08773363) उनकी सेवानिवृत्ति या अगले आदेश की तारीख तक, इनमें से जो भी पहले हो, बीईएल के मंडल में निदेशक (वित्त) नियुक्त किया है ।

कंपनी अधिनियम, 2013 की धारा 161(1) और संस्था के अंतर्नियमों के अनुच्छेद 71सी के तारतम्य में, निदेशक मंडल ने श्री दिनेश कुमार बत्रा को इस वार्षिक सामान्य बैठक की तारीख तक पदभार संभालने के लिए अपर निदेशक के रूप में नियुक्त किया है । तदुपरांत कंपनी ने अधिनियम की धारा 160 के तहत एक सदस्य से श्री दिनेश कुमार बत्रा को कंपनी का निदेशक नियुक्त करने, जो चक्रानुक्रम से सेवानिवृत्त नहीं होंगे, के प्रस्ताव के संबंध में अपना आशय व्यक्त करते हुए लिखित में एक सूचना प्राप्त की है।

श्री दिनेश कुमार बत्रा को (डीआईएन- 08773363) को छोड़कर कोई भी निदेशक, कंपनी के मुख्य प्रबंधकीय कार्मिक या उनके रिश्तेदार, इस बैठक की सूचना के मद सं. 5 में निर्धारित संकल्प में, आर्थिक या अन्य किसी प्रकार से संबंधित या इच्छुक नहीं हैं ।

मंडल इस संकल्प के लिए सदस्यों के अनुमोदन के लिए प्रस्ताव की सिफारिश करता है ।

ANNEXURE TO THE NOTICE

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

In respect of item No.4:

The Government has vide its letter dated 22 July 2019 appointed Mrs Shikha Gupta (DIN: 08597649), as Director (Other Units) on the Board of BEL till the date of her superannuation or until further orders, whichever is earlier.

Pursuant to Section 161(1) of the Companies Act, 2013 and Article 71C of the Articles of Association of the Company, the Board of Directors appointed Mrs Shikha Gupta, as Additional Director, to hold office upto the date of this Annual General Meeting. Subsequently, the Company has received notice in writing under Section 160 of the Act from a Member signifying her intention to propose the appointment of Mrs Shikha Gupta as Director of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mrs Shikha Gupta (DIN: 08597649), is in anyway, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the notice of this meeting.

The Board recommends the resolution for the approval of the Members.

In respect of item No.5:

The Government has vide its letter dated 29 April 2020 appointed Mr Dinesh Kumar Batra (DIN: 08773363), as Director (Finance) on the Board of BEL till the date of his superannuation or until further orders, whichever is earlier.

Pursuant to Section 161(1) of the Companies Act, 2013 and Article 71C of the Articles of Association of the Company, the Board of Directors appointed Mr Dinesh Kumar Batra, as Additional Director, to hold office upto the date of this Annual General Meeting. Subsequently, the Company has received notice in writing under Section 160 of the Act from a Member signifying her intention to propose the appointment of Mr Dinesh Kumar Batra as Director of the Company, not liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr Dinesh Kumar Batra (DIN: 08773363), is in anyway, concerned or interested, financially or otherwise, in the resolution set out at item No.5 of the notice of this meeting.

The Board recommends the resolution for the approval of the Members.

मद सं. 6 के संबंध में –

सरकार ने अपने पत्र दिनांक 6 जुलाई, 2020 द्वारा श्री एम वी राजशेखर (डीआईएन-08850171) को उनकी सेवानिवृत्ति या अगले आदेश की तारीख तक, इनमें से जो भी पहले हो, बीईएल के मंडल में निदेशक (अनुसंधान व विकास) नियुक्त किया है।

कंपनी अधिनियम, 2013 की धारा 161(1) और संस्था के अंतर्नियमों के अनुच्छेद 71 सी के तारतम्य में, निदेशक मंडल ने श्री एम वी राजशेखर को इस वार्षिक सामान्य बैठक की तारीख तक पदभार संभालने के लिए अपर निदेशक के रूप में नियुक्त किया है। तदुपरांत कंपनी ने अधिनियम की धारा 160 के तहत एक सदस्य से श्री एम वी राजशेखर को कंपनी का निदेशक नियुक्त करने, जो चक्रानुक्रम से सेवानिवृत्त होंगे, के प्रस्ताव के संबंध में अपना आशय व्यक्त करते हुए लिखित में एक सूचना प्राप्त की है।

श्री एम वी राजशेखर (डीआईएन-08850171) को छोड़कर कोई भी निदेशक, कंपनी के मुख्य प्रबंधकीय कार्मिक या उनके रिश्तेदार, इस बैठक की सूचना के मद सं. 6 में निर्धारित संकल्प में, आर्थिक या अन्य किसी प्रकार से संबंधित या इच्छुक नहीं हैं।

मंडल इस संकल्प के लिए सदस्यों के अनुमोदन के लिए प्रस्ताव की सिफारिश करता है ।

मद सं. 7 के संबंध में -

कंपनी अधिनियम, 2013 की धारा 148(3) जिसे कंपनी (लेखा परीक्षा और लेखा परीक्षक नियम) नियम 2014 (नियम) के साथ पढ़ा जाना है, के अनुसार, कंपनी का निदेशक मंडल लेखा परीक्षा समिति की सिफारिश पर लागत लेखा परीक्षक की नियुक्ति करेगा और उनके पारिश्रमिक की भी सिफारिश करेगा। इस नियम में यह भी आवश्यकता बताई गई है कि लागत लेखा परीक्षक के पारिश्रमिक का अनुसमर्थन तदुपरांत सदस्यों द्वारा किया जाएगा।

लेखा परीक्षा समिति द्वारा की गई सिफारिश के अनुसार, बीईएल के निदेशक मंडल ने मेसर्स मूर्ति एंड कं. एलएलपी, लागत लेखाकार, बेंगलूरु (एलएलपीआईएन- एएबी-1402 और फर्म पंजीकरण सं. 000648) को इस संकल्प में दर्शित अनुसार कार्यकाल / पारिश्रमिक पर वित्तीय वर्ष 2020-21 के लिए कंपनी की लागत लेखा परीक्षा करने के लिए नियुक्त किया है। अधिनियम की धारा 148(3) जिसे कंपनी (लेखा परीक्षा और लेखा परीक्षक) नियम, 2014 के नियम 14 के साथ पढ़ा जाना है, के तहत यथा अपेक्षित, निदेशक मंडल द्वारा निर्धारित लागत लेखा परीक्षकों का पारिश्रमिक अनुसमर्थन के लिए सदस्यों के समक्ष रखा गया है।

कंपनी के कोई भी निदेशक एवं मुख्य प्रबंधकीय कार्मिक या उनके रिश्तेदार इस बैठक की सूचना की मद सं. 07 में उल्लिखित संकल्प में वित्तीय रूप से या अन्यथा, किसी भी तरह से संबंधित या इच्छुक नहीं हैं।

मंडल इस संकल्प के लिए सदस्यों के अनुमोदन के लिए प्रस्ताव की सिफारिश करता है ।

In respect of item No.6:

The Government has vide its letter dated 6 July 2020 appointed Mr M V Rajasekhar (DIN: 08850171), as Director (Research & Development) on the Board of BEL till the date of his superannuation or until further orders, whichever is earlier.

Pursuant to Section 161(1) of the Companies Act, 2013 and Article 71C of the Articles of Association of the Company, the Board of Directors appointed Mr M V Rajasekhar, as Additional Director, to hold office upto the date of this Annual General Meeting. Subsequently, the Company has received notice in writing under Section 160 of the Act from a Member signifying her intention to propose the appointment of Mr M V Rajasekhar as Director of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr M V Rajasekhar (DIN: 08850171), is in anyway, concerned or interested, financially or otherwise, in the resolution set out at item No.6 of the notice of this meeting.

The Board recommends the resolution for the approval of the Members.

In respect of item No.7:

As per Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors Rules), 2014 (the Rules) the Board of Directors of the Company shall appoint the Cost Auditor on the recommendation of the Audit Committee, which shall also recommend remuneration for the Cost Auditor. The rule also requires that the remuneration of the Cost Auditor shall be subsequently ratified by the Members.

As recommended by the Audit Committee, BEL Board of Directors appointed M/s Murthy & Co. LLP, Cost Accountants, Bengaluru (LLPIN- AAB-1402 & Firm Registration No. 000648) to conduct cost audit of the Company for the financial year 2020-21 on the terms / remuneration as indicated in the resolution. As required under Section 148(3) of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the cost auditors, fixed by the Board of Directors, is placed before the Members for ratification.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 07 of the notice of this meeting.

The Board recommends the resolution for the approval of the Members.

सेबी (सूचीकरण की बाध्यताएँ एवं प्रकटीकरण की अपेक्षाएँ) विनियम, 2015 के विनियम 36(3) में यथा अपेक्षित, नियुक्ति / पुनर्नियुक्ति के लिए संस्तुत निदेशकों की अतिरिक्त जानकारी

पुनर्नियुक्ति -

नाम और डीआईएन	श्रीमती आनंदी रामलिंगम (डीआईएन 07616518).
जन्म तिथि	17 अगस्त 1962.
मंडल में नियुक्ति की तारीख	16 सितंबर 2016.
शैक्षिक योग्यता	बीई (इलेक्ट्रॉनिक और संचार)
विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	श्रीमती आनंदी रामलिंगम ने 16 सितंबर, 2016 को निदेशक (विपणन) के पद पर कार्यभार ग्रहण किया। पदोन्नत होने से पहले वे बीईएल बेंगलूरू में महाप्रबंधक (मिलकॉम) के पद पर थीं। श्रीमती आनंदी रामलिंगम ने पीएसजी कालेज ऑफ प्रौद्योगिकी (टैक्नालॉजी), कोयम्बटूर से इलेक्ट्रॉनिक्स और संचार इंजीनियरिंग में बी.ई. करने के पश्चात् मार्च 1985 में बीईएल बेंगलूरू में कार्य आरंभ किया। अगले 20 वर्षों में उन्होंने भारतीय सेना के लिए बीईएल और डीआरडीओ द्वारा विकसित फ्लैगशिप आर्टिलरी सैन्य (कॉम्बेट) कमांड और कंट्रोल "शक्ति" तथा रक्षा मंत्री का अवार्ड जीतने वाले एरेन (आर्मी रेडियो इंजीनियर्ड नेटवर्क) समेत मिलिट्री संचार के विभिन्न क्षेत्रों के उपस्कर परीक्षण कार्यों में अनेक प्रकार का अनुभव हासिल किया। इस अवधि में शुरूआत के पहले वर्ष में ही उन्हें कार्यपालक उत्कृष्टता अवार्ड भी प्रदान किया गया था। वर्ष 2004 में उन्हें बेंगलूरु कॉमप्लेक्स स्थित मिलिट्री संचार एवं इलेक्ट्रानिक वारफेयर एसबीयू में विपणन प्रभाग गठित करने हेतु बनाई गई टीम में शामिल किया गया।

Additional information of Directors recommended for appointment/ re-appointment as required Reg. 36(3) of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015

Re-Appointment:

Name and DIN	Mrs. Anandi Ramalingam (DIN: 07616518).
Date of Birth	17 August 1962.
Date of Appointment on the Board	16 September 2016.
Qualification	BE (Electronics & Communication)
Expertise in specific function area	Mrs Anandi Ramalingam took charge as Director (Marketing) of the Company on 16 September 2016. She was GM (Mil.Com.) at BEL-Bengaluru before her elevation. Mrs Anandi Ramalingam joined BEL-Bangalore in March 1985 after completing BE in Electronics and Communication Engineering from the PSG College of Technology, Coimbatore. For the next 20 years, she gained diverse experience in equipment testing working across various domains of military communication including heading testing for 'Shakti", the flagship Artillery Combat Command and Control System, developed by BEL and DRDO for the Indian Army and AREN (Army Radio Engineered Network) winning the Raksha Mantri's Award. During this period, she was also awarded the Executive Excellence Award, in the very first year of its inception. In 2004, she was roped in as part of the team formed to set up the Marketing Division for the Military Communication & Electronic Warfare SBU at Bangalore Complex.

	टीम ने बीईएल में पूर्व गतिशील व्यवसाय विकास कार्यक्रमों में अग्रणी भूमिका निभाई और धीरे धीरे अन्य एसबीयू में प्रभावी विपणन प्रणाली स्थापित किए जाने में मदद की। वर्ष 2007 में मिलिट्री संचार एसबीयू में विपणन प्रमुख के तौर पर पदोन्नत किया गया जहाँ उनकी टीम ने आर्डर बुक और विक्रयावर्त के क्षेत्र में विकास के मामले में कीर्तिमान स्थापित किया। वर्ष 2010 में श्रीमती आनंदी रामलिंगम बीईएल को बहुगुणित विदेशी डीईएमएस हेतु एक भरोसेमंद विश्वस्तरीय सप्लाई चेन पार्टनर के रूप में स्थापित करने और बीईएल की निर्यात आर्डर बुक स्थिति में महत्वपूर्ण बढ़ोत्तरी करने के साथ रक्षा आफसैट्स की प्रमुख बनकर अंतरराष्ट्रीय विपणन प्रभाग (आईएमडी) में आईं। दिसंबर, 2014 में वे राष्ट्रीय विपणन प्रभाग में महाप्रबंधक बनीं। थोड़े समय में ही उनके नेतृत्व में बीईएल की आर्डर बुक स्थिति में व्यापक बढ़ोत्तरी हुई। मई 2016 में उन्होंने बीईएल बेंगलूरू में महाप्रबंधक (मिलकॉम) का पदभार संभाला और निदेशक के रूप में पदोन्नत होने तक व्यवसाय को आगे बढ़ाया।		The team pioneered proactive business development practices in BEL and gradually assisted other SBUs in establishing effective marketing systems. In 2007, she was elevated as the Marketing Head of the Military Communication SBU where her team could achieve record growth in order book and turnover. In 2010, Mrs Anandi Ramalingam moved to the International Marketing Division (IMD) to head Defence Offsets, establishing BEL as a reliable global supply chain partner for multiple foreign OEMs and facilitating substantial growth of BEL's export order book. In December 2014, she moved to the National Marketing Division as GM. Within a short span of time, she saw to it that BEL's order book grew significantly. In May 2016, she assumed charge as GM (Milcom) at BEL-Bangalore and steered the business till her elevation as Director.
कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं	Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	बीईएल ऑप्ट्रॉनिक्स डिवाइसेस लिमिटेड। बीईएल- थेलेस सिस्टम लिमिटेड।	Directorship held in other Public Limited Companies as on 01.09.2020	BEL Optronic Devices Limited. BEL-Thales Systems Limited.
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	बीईएल ऑप्ट्रॉनिक्स डिवाइसेस लिमिटेड – लेखा परीक्षा समिति के सदस्य, सी.एस.आर. समिति के अध्यक्ष, नामांकन व पारिश्रमिक समिति के सदस्य।	Chairman/ Membership of Committees in other Public Limited Companies as on 01.09.2020	BEL Optronic Devices Limited - Member of Audit Committee, Chairman of CSR Committee, Member of Nomination & Remuneration Committee.

	बीईएल- थेलेस सिस्टम लिमिटेड - लेखा परीक्षा समिति के सदस्य, नामांकन व पारिश्रमिक समिति के सदस्य।
धारित शेयरों की संख्या	1263 ईक्विटी शेयर
वित्तीय वर्ष 2019-20 के दौरान आयोजित मंडल की बैठक में उपस्थिति	वित्तीय वर्ष 2019-20 में आयोजित 8 बैठकों में से 7 बैठकों में भाग लिया ।

नियुक्ति -

नाम और डीआईएन	श्रीमती शिखा गुप्ता (डीआईएन- 08597649).
जन्म तिथि	08 नवंबर 1961.
मंडल में नियुक्ति की तारीख	01 दिसंबर 2019.
शैक्षिक योग्यता	बी.टेक (इलेक्ट्रॉनिक्स एवं संचार)
विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	श्रीमती शिखा गुप्ता ने 1 दिसंबर, 2019 को कंपनी की निदेशक (अन्य यूनिटें) के रूप में कार्यभार संभाला। निदेशक के रूप में अपनी पदोन्नति से पहले उन्होंने बीईएल-गाज़ियाबाद में बीईएल के रणनीतिक योजना प्रभाग, सैटकॉम और सेल्युलर संचार प्रणाली एसबीयू और बीईएल-बेंगलूरु में निर्यात विनिर्माणी एसबीयू के महाप्रबंधक के रूप में अपनी सेवाएं प्रदान की है । श्रीमती शिखा गुप्ता को रक्षा और अर्धसैनिक बलों की कई प्रतिष्ठित परियोजनाओं के प्रचालन, अनुसंधान व विकास, कारोबारी विकास, बिक्री और जीवन चक्र समर्थन में 34 से अधिक वर्षों का अनुभव है। वे जम्मू-कश्मीर और उत्तर पूर्व के दुर्गम इलाकों सहित देश के कोने-कोने में थलसेना, वायु सेना और नौसेना की भूमि-आधारित, जहाज-वाहित, पनडुब्बी-वाहित और वायु-वाहित मेगा परियोजनाओं के निष्पादन और रख-रखाव में शामिल रही हैं। उन्होंने कई स्वदेशी और सहयोगात्मक विकास परियोजनाओं को भी संचालित किया है। उन्हें हार्डवेयर, सॉफ्टवेयर और प्रणाली विकास का समृद्ध अनुभव है।

	BEL-Thales Systems Limited - Member of Audit Committee, Member of Nomination & Remuneration Committee.
No. of Shares held	1263 Equity Shares.
Attendance in the Board meetings held during the financial year 2019-20	Attended 7 meetings out of 8 meetings held during the financial year 2019-20.

Appointment:

Name and DIN	Mrs Shikha Gupta (DIN: 08597649).
Date of Birth	08 November 1961.
Date of Appointment on the Board	01 December 2019.
Qualification	B.Tech (Electronics & Communication)
Expertise in specific function area	Mrs Shikha Gupta took charge as Director (Other Units) of the Company on 01 December 2019. She had served as the General Manager of BEL's Strategic Planning Division, Satcom and Cellular Communication Systems SBU at BEL-Ghaziabad and Export Manufacturing SBU at BEL-Bangalore, before her elevation as Director. Mrs Shikha Gupta has over 34 years of experience in Operations, R&D, Business Development, Sales and Life Cycle Support of many prestigious projects for the Defence and Paramilitary Forces. She was involved in the execution and maintenance of land-based, ship-borne, submarine-borne and airborne mega projects of the Army, Air Force and Navy across the length and breadth of the country, including tough terrains of Jammu & Kashmir and North East. She also piloted many indigenous and collaborative development projects. She has rich experience in hardware, software and system development.

	श्रीमती शिखा गुप्ता ने इलाहाबाद विश्वविद्यालय से इलेक्ट्रॉनिक्स और संचार में स्नातक करने के बाद, 1 फरवरी 1985 को बीईएल की गाज़ियाबाद यूनिट में परिवीक्षाधीन अभियंता के रूप में कार्यभार ग्रहण किया । उन्होंने डिजिटल रेडियो मॉड्यूल, नेटवर्क प्रबंधन प्रणाली और एस-बैंड ब्रीफ़केस टर्मिनल के मुख्य डिज़ाइन कार्य के साथ मल्टीपल सैटकॉम नेटवर्क, रेडियो नेटवर्क और सीडीएमए सेल्युलर नेटवर्क के सिस्टम डिज़ाइन पर भी कार्य किया है । उनके नेतृत्व में निष्पादित दो परियोजनाओं को रक्षा मंत्री का 'स्वदेशी विकास' पुरस्कार भी प्राप्त हुआ है। श्रीमती शिखा गुप्ता ने गाज़ियाबाद के नेटवर्क सेंट्रिक सिस्टम के प्रणालियों और डी एंड ई के विपणन और वाणिज्यिक प्रभाग का नेतृत्व किया है। उन्होंने कॉम्बैट प्रबंधन प्रणाली, कॉम्बैट सूचना प्रणाली और वायु रक्षा नियंत्रण एवं रिपोर्टिंग प्रणाली जैसी कई प्रमुख C4I परियोजनाओं में अपना योगदान दिया है । श्रीमती शिखा गुप्ता ने 2015 में बीईएल के कॉर्पोरेट कार्यालय में रणनीति योजना प्रभाग के महाप्रबंधक के रूप में कार्यभार संभाला। कॉर्पोरेट रणनीति योजना के प्रमुख के रूप में अपने दो साल के कार्यकाल के दौरान उन्होंने कंपनी की वृद्धि के लिए दीर्घकालिक योजना की सुविधा हेतु 'बीईएल दृष्टि 2030' को आकार दिया। उन्होंने बीईएल की कारोबारी आवश्यकताओं को पूरा करने के लिए अनेक रणनीतिक सहयोग की पहल की। कॉर्पोरेट जोखिम प्रबंधन समिति की अध्यक्ष के रूप में, उन्होंने बीईएल की जोखिम प्रबंधन नीति तैयार करने में प्रमुख भूमिका निभाई। उन्होंने रक्षा मंत्रालय के मार्गदर्शन में स्टार्ट-अप और एमएसई द्वारा नवोन्मेष करने के लिए एचएएल के साथ साझेदारी में रक्षा नवोन्मेष संगठन के गठन में भी महत्वपूर्ण भूमिका निभाई।

	Mrs Shikha Gupta joined BEL's Ghaziabad Unit as Probationary Engineer on 01 February 1985, after graduating from the University of Allahabad in Electronics & Communication. She worked on the core design of Digital Radio modules, Network Management System and S-Band Briefcase Terminal as well as system design of Multiple Satcom networks, Radio networks and CDMA cellular networks. Two projects which she led won the Raksha Mantri's Award for 'Indigenous Development'. Mr Shikha Gupta headed the Marketing and Commercial division of Systems and D&E of Network Centric Systems at Ghaziabad. She facilitated many key C4I projects such as Combat Management System, Combat Information System and Air Defence Control & Reporting System. Mrs Shikha Gupta took charge as General Manager of the Strategic Planning Division at BEL's Corporate Office in 2015. During her two-year tenure as Head of Corporate Strategic Planning, she gave shape to 'BEL Vision 2030' to facilitate long-term planning for the Company's growth. She initiated much strategic collaboration to address\the business requirements of BEL. As Chairperson of the Corporate Risk Management Committee, she was instrumental in formulating the Risk Management Policy of BEL. She also steered the formation of the Defence Innovation Organisation in partnership with HAL to address Innovation by start-ups and MSEs, under the guidance of MoD.

कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	कोई नहीं
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	कोई नहीं
धारित शेयरों की संख्या	कोई नहीं
वित्तीय वर्ष 2019-20 के दौरान आयोजित मंडल की बैठक में उपस्थिति	वित्तीय वर्ष 2019-20 में निदेशक के रूप में अपने कार्यकाल के दौरान आयोजित 3 बैठकों में से 3 बैठकों में भाग लिया ।

Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.
Directorship held in other Public Limited Companies as on 01.09.2020	Nil.
Chairman/ Membership of Committees in other Public Limited Companies as on 01.09.2020	Nil.
No. of Shares held	Nil.
Attendance in the Board meetings held during the financial year 2019-20	Attended 3 meetings out of 3 meetings held during her tenure as Director in the financial year 2019-20.

<u>नियुक्ति -</u>

नाम और डीआईएन	श्री दिनेश कुमार बत्रा (डीआईएन- 08773363).
जन्म तिथि	11 अक्तूबर 1962.
मंडल में नियुक्ति की तारीख	01 अगस्त 2020.
शैक्षिक योग्यता	बीई (मैकानिकल), विदेश व्यापार में स्नातकोत्तर डिप्लोमा एवं प्रबंधन में स्नातकोत्तर डिप्लोमा
विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	श्री दिनेश कुमार बत्रा ने 01 अगस्त 2020 को नवरत्न रक्षा पीएसयू भारत इलेक्ट्रॉनिक्स लिमिटेड (बीईएल) के निदेशक (वित्त) का कार्यभार संभाला।

<u>Appointment:</u>

Name and DIN	Mr Dinesh Kumar Batra (DIN: 08773363).
Date of Birth	11 October 1962.
Date of Appointment on the Board	01 August 2020.
Qualification	BE (Mechanical), Post Graduate Diploma in Foreign Trade & Post Graduate Diploma in Management.
Expertise in specific function area	Mr Dinesh Kumar Batra assumed charge as Director (Finance) of Navratna Defence PSU Bharat Electronics Limited (BEL) on 01 August 2020.

	श्री दिनेश कुमार बत्रा हरकोर्ट बटलर टेक्निकल यूनिवर्सिटी (एचबीटीयू), कानपुर, इंडियन इंस्टीट्यूट ऑफ फॉरेन ट्रेड (आईआईएफटी), दिल्ली और प्रबंध विकास संस्थान, गुड़गांव के विद्यार्थी हैं। श्री दिनेश कुमार बत्रा ने 1984 में बीईएल की गाज़ियाबाद यूनिट में कार्यग्रहण किया और अपने साढ़े तीन दशक लंबे करियर में कंपनी की गाज़ियाबाद, दिल्ली, पुणे और बेंगलूरु यूनिटों में विभिन्न पदों पर कार्य किया। निदेशक (वित्त) के पद पर चयन होने से पहले उन्होंने बीईएल के कार्पोरेट कार्यालय में आंतरिक लेखा परीक्षा, क्षेत्रीय कार्यालय-दिल्ली का नेतृत्व किया और पुणे यूनिट के महाप्रबंधक रहे। लागत और वित्तीय प्रबंधन में अपने अनुभव से उन्होंने पुणे यूनिट के ऊपरी और निचले स्तर के कारोबार में स्थिर और कई गुना की बढ़ोत्तरी की। श्री दिनेश कुमार बत्रा ने इलेक्ट्रो-एक्सप्लोज़िव खंड में प्रवेश करने के कंपनी के प्रयासों में प्रमुख भूमिका निभाई । इलेक्ट्रॉनिक आर्टिलरी फ्यूज़ तथा अन्य गोला-बारूद में भारत को "आत्म-निर्भर" बनाने के लिए, उन्होंने एक्सप्लोज़िव इंटीग्रेशन कॉमप्लेक्स स्थापित करने के लिए महाराष्ट्र सरकार से नागपूर में 200 एकड़ भूमि आबंटित कराया। भारत सरकार के ई-मोबिलिटी प्रोग्राम में सहयोग करने में ऑटोमोबिल के लिए लियॉन बैटरी पैक के कारोबार में बीईएल का प्रवेश कराने का श्रेय भी उन्हें जाता है। एक्स-रे बैगेज निरीक्षण प्रणाली, फ्यूल सेल, फायबर ऑप्टिक गायरो, केमिकल एजेंट मॉनीटर आदि के स्वदेशी विकास और निर्माण में बीईएल-पुणे के विविधीकरण में आपने प्रमुख भूमिका निभाई।

	Mr Dinesh Kumar Batra is an alumnus of Harcourt Butler Technical University (HBTU), Kanpur, Indian Institute of Foreign Trade (IIFT), Delhi, and Management Development Institute, Gurgaon. Mr Dinesh Batra joined BEL at its Ghaziabad Unit in 1984 and in a career spanning over three and half decades, served the Company in various capacities in Ghaziabad, Delhi, Pune and Bengaluru. Prior to his elevation as Director (Finance), he headed Internal Audit at BEL's Corporate Office, Regional Office-Delhi and Pune Unit as General Manager. With his expertise in cost and financial management, he turned around the Pune Unit with consistent, multi-fold growth in top and bottom line. Mr Dinesh Kumar Batra was instrumental in the company's move to foray into the Electro-Explosive segment. To make India "Aatmanirbhar" in Electronic Artillery Fuzes and other ammunitions, he got 200 acres land allotted by Maharashtra Government at Nagpur to set up an Explosive Integration Complex. He is also credited with BEL entering into Li-on battery packs for automobiles to support the e-Mobility programme of the Government of India. He was instrumental in BEL-Pune diversifying into the indigenous development and manufacturing of X-ray Baggage Inspection System, Fuel Cell, Fiber Optic Gyro, Chemical Agent Monitor, etc.

	श्री दिनेश कुमार बत्रा में भावी वित्तीय आवश्यकताओं का अनुमान लगाने और उन्हें पूरा करने और इस प्रकार कंपनी के लिए संपदा सृजित करने की क्षमता है। उन्हें वित्त के सभी क्षेत्रों का समृद्ध अनुभव है, उनमें सुदृढ़ विश्लेषणात्मक कौशल है, रणनीतिक सोच और अनुकरणीय नेतृत्व कौशल है।
कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	बीईएल ऑप्ट्रॉनिक्स डिवाइसेस लिमिटेड
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	बीईएल ऑप्ट्रॉनिक्स डिवाइसेस लिमिटेड - लेखा परीक्षा समिति के अध्यक्ष, सी.एस.आर. समिति के सदस्य, नामांकन व पारिश्रमिक समिति के सदस्य।
धारित शेयरों की संख्या	1,263.
वित्तीय वर्ष 2019-20 के दौरान आयोजित मंडल की बैठक में उपस्थिति	लागू नहीं

नियुक्ति -

नाम और डीआईएन	श्री एम वी राजशेखर (डीआईएन-08850171)
जन्म तिथि	19 अगस्त 1962
मंडल में नियुक्ति की तारीख	01 सितंबर 2020
शैक्षिक योग्यता	प्रौद्योगिकी स्नातक (इलेक्ट्रॉनिक्स एवं संचार)

	Mr Dinesh Batra has the ability to anticipate and address key financial issues, thereby creating wealth for the Company. He has rich experience in all areas of Finance, strong analytical skills, strategic thinking and exemplary leadership skills.
Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.
Directorship held in other Public Limited Companies as on 01.09.2020	BEL Optronic Devices Limited
Chairman/ Membership of Committees in other Public Limited Companies as on 01.09.2020	BEL Optronic Devices Limited - Chairman of Audit Committee, Member of CSR Committee, Member of Nomination & Remuneration Committee.
No. of Shares held	1,263.
Attendance in the Board meetings held during the financial year 2019-20	Not Applicable.

Appointment:

Name and DIN	Mr M V Rajasekhar (DIN: 08850171).
Date of Birth	19 August 1962.
Date of Appointment on the Board	01 September 2020.
Qualification	Bachelor Technology (Electronics & Communication).

विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	श्री एम वी राजशेखर ने 1 सितंबर, 2020 को नवरत्न रक्षा पीएसयू भारत इलेक्ट्रॉनिक्स लि. (बीईएल) के निदेशक (अनुसंधान व विकास) का कार्यग्रहण किया। इस पदोन्नति से पहले वे बीईएल के केंद्रीय अनुसंधान प्रयोगशाला (सीआरएल) - बेंगलूरु में मुख्य वैज्ञानिक और बीईएल के कार्पोरेट कार्यालय में विशेष कर्तव्यस्थ अधिकारी (ओ.एस.डी.) थे। श्री एम वी राजशेखर ने श्री वेंकटेश्वरा यूनिवर्सिटी, तिरुपति से इलेक्ट्रॉनिक्स एवं संचार अभियांत्रिकी में बी.टेक करने के बाद 1 फरवरी, 1985 को परिवीक्षाधीन अभियंता के रूप में बीईएल की गाज़ियाबाद यूनिट में कार्य ग्रहण किया था। अपने 35 वर्षों के लंबे करियर में, उन्होंने विभिन्न पदों पर कार्य किया और बीईएल की विविध प्रौद्योगिकियों में समृद्ध अनुभव अर्जित किया। बीईएल की गाज़ियाबाद यूनिट में अपने कार्यकाल के दौरान वे स्थैतिक एवं डिज़िटल मोबाइल ट्रोपो-स्कैटर संचार एवं सैटकॉम, रेडार प्रदर्श एवं कमान व कंट्रोल सिस्टम जैसे संचार उत्पादों के परीक्षण में शामिल रहे। वर्ष 2000 में उन्हें हैदराबाद यूनिट भेजा गया जहाँ उन्होंने इलेक्ट्रॉनिक युद्धपद्धति की विभिन्न प्रणालियों के परीक्षण व कार्यारंभ पर कार्य किया। वर्ष 2004 में उन्हें मछिलिपट्टणम यूनिट भेजा गया। मछिलिपट्टणम यूनिट में अपने कार्यकाल के दौरान, श्री एम वी राजशेखर ने रात्रि दर्शी साधित्र की डिज़ाइन और विकास के लिए योगदान दिया जिसकी गृह मंत्रालय और भारतीय थलसेना को बड़ी मात्रा में आपूर्ति की गई। उन्होंने आई.आर. ऑप्टिक्स में बीईएल के लिए अच्छी डिज़ाइन का आधार तैयार किया और सीआरएल- बेंगलूरु में संकेत प्रसंस्करण विकास की पहल की।

Expertise in specific function area	Mr M V Rajasekhar took charge as Director (R&D) of Navratna Defence PSU Bharat Electronics Ltd. (BEL) on 1 September 2020. He was working as Chief Scientist of BEL's Central Research Laboratory (CRL)-Bangalore, and Officer on Special Duty (OSD) at BEL's Corporate Office, before his elevation. Mr M V Rajasekhar joined BEL's Ghaziabad Unit on 1 February, 1985, as Probationary Engineer after completing B.Tech in Electronics & Communication Engineering from Sri Venkateswara University, Tirupati. In a career spanning over the last 35 years, he has worked in various capacities and gained rich experience in diverse technologies of BEL. He was involved in the testing of Communication products such as Static and Digital Mobile Tropo-scatter Communication & Satcom Networks, Radar Displays and Command & Control Systems during his tenure at BEL's Ghaziabad Unit. In the year 2000, he moved to Hyderabad Unit and worked on the testing and commissioning of various Electronic Warfare systems. In 2004, he was transferred to Machilipatnam Unit. During his tenure at Machilipatnam Unit, Mr M V Rajasekhar contributed to the design and development of Night Vision Devices which have been supplied in large quantities to the Ministry of Home Affairs and the Indian Army. He has established a good design base for BEL in IR Optics and initiated signal processing development at CRL-Bangalore.

	आईआरडीई (डीआरडीओ) के सहयोग से अत्याधुनिक व नवीनतम थर्मल इमेजर आधारित साइटों व प्रणालियों के स्वदेशी विकास में उन्होंने प्रमुख भूमिका निभाई जिसके कारण कंपनी के कारोबार में उल्लेखनीय प्रगति हुई। मई 2016 में, उन्हें मुख्य प्रौद्योगिकी अधिकारी (इलेक्ट्रो ऑप्टिक एवं लेज़र) के पद पर पदोन्नत किया गया। सीटीओ (ईओ एंड एल) के रूप में, उन्होंने बीईएल के उत्पाद विकास एवं नवोन्मेष केंद्र (पीडी एंड आईसी) में इलेक्ट्रो-ऑप्टिक्स एवं लेज़र में अनेक नई परियोजनाओं की पहल की और यूनिट की डी एंड ई और सीआरएल-बेंगलूरु के प्रयासों को गति प्रदान की। भारतीय विज्ञान संस्थान, बेंगलूरु और सेंट्रल ग्लास एंड सिरामिक रिसर्च इंस्टीट्यूट (सीजीसीआरआई) के साथ रणनीतिक सहयोग करते हुए फायबर लेज़र प्रौद्योगिकी के विकास के लिए वे सीआरएल- बेंगलूरु और पीडीआईसी के वैज्ञानिकों के लिए प्रेरणास्रोत बने। निदेशक (अनुसंधान व विकास) के रूप में उनकी पदोन्नति से पहले, जून, 2019 में, उन्हें मुख्य वैज्ञानिक के रूप में सीआरएल-बेंगलूरु भेजा गया जहाँ उन्होंने कृत्रिम आसूचना, रोबोटिक्स एवं ड्रोन, सायबर सुरक्षा, क्लाउड एवं डेटा एनालिटिक्स, सामरिक संचार, रेडार सिग्नल एवं डेटा प्रसंस्करण, ईओ एंड एल, स्मार्ट कंप्यूटिंग डिवाइस, एम्बेडेड सिस्टम, नेटवर्किंग डिवाइस और सिस्टम तथा ईडबल्यू एंड अकास्टिक्स के लिए उन्नत सिग्नल प्रोसेसर जैसी विविध प्रौद्योगिकियों पर काम करने वाले लगभग 260 वैज्ञानिकों की टीम का नेतृत्व किया।
कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं

	He was instrumental in the indigenous development of state-of-the-art Thermal Imager-based Sights and Systems in association with IRDE (DRDO) which resulted in significant business growth for the Company. In May 2016, he was promoted as Chief Technology Officer (Electro Optics & Lasers). As CTO (EO&L), he initiated many new projects in Electro-Optics and Lasers at BEL's Product Development & Innovation Centre (PD&IC), complementing the efforts of Unit D&Es and CRL-Bangalore. He was a guiding force for the scientists of CRL-Bangalore and PD&IC for the development of Fiber Laser Technology in strategic alliance with the Indian Institute of Science, Bangalore, and Central Glass and Ceramic Research Institute (CGCRI). In June 2019, he moved to CRL-BG as Chief Scientist and led a team of around 260 scientists working on diverse technologies such as Artificial Intelligence, Robotics & Drones, Cyber Security, Cloud & Data Analytics, Tactical Communications, Radar Signal & Data Processing, EO&L, Smart Computing Devices, Embedded Systems, Networking Devices and Systems and Advanced Signal Processing for EW & Acoustics, before his elevation as Director (R&D).
Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.

यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	कोई नहीं
यथा 01.09.2020 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	कोई नहीं
धारित शेयरों की संख्या	1,263.
वित्तीय वर्ष 2019-20 के दौरान आयोजित मंडल की बैठक में उपस्थिति	लागू नहीं

Directorship held in other Public Limited Companies as on 01.09.2020	Nil.
Chairman/ Membership of Committees in other Public Limited Companies as on 01.09.2020	Nil.
No. of Shares held	1,263.
Attendance in the Board meetings held during the financial year 2019-20	Not Applicable.

मंडल के आदेशानुसार
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड

बेंगलूरु
7 सितंबर 2020

एस श्रीनिवास
कंपनी सचिव

By order of the Board
For Bharat Electronics Limited

Bengaluru
7 September 2020

S Sreenivas
Company Secretary


भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY, TECHNOLOGY, INNOVATION
ATMANIRBHAR BHARAT
Annual Report 2019-20

PM CARES
Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY. TECHNOLOGY. INNOVATION

CV 200 VENTILATOR SYSTEM

LIFELINE FOR COVID PATIENTS



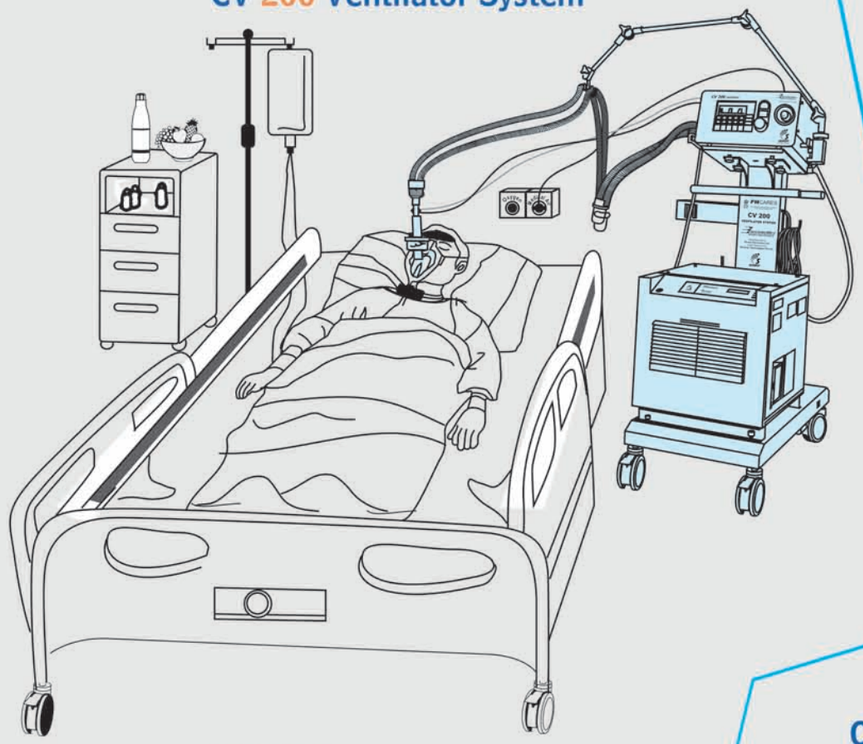
EMPOWERING COVID WARRIORS

BEL's Initiatives to Combat COVID-19

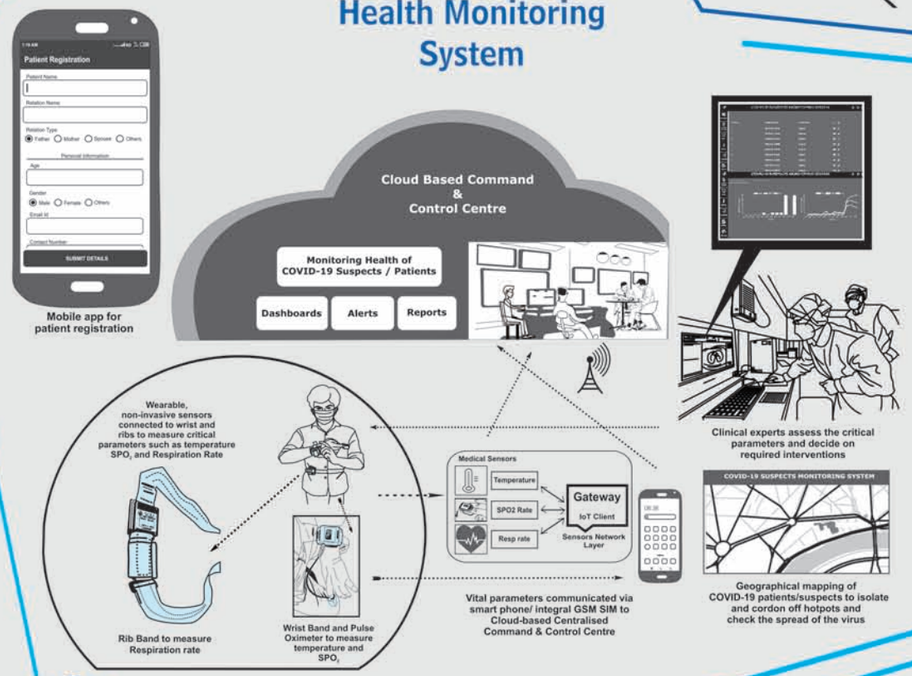
Sanitising the workplace



CV 200 Ventilator System



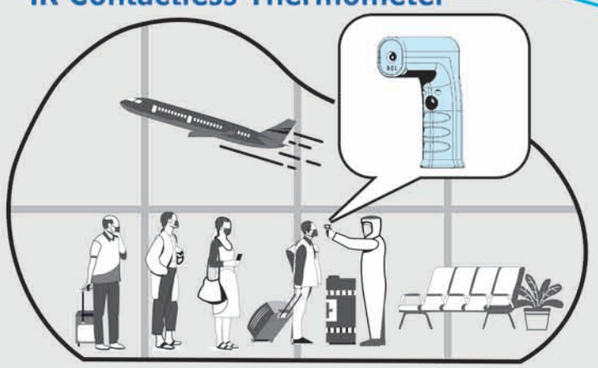
Remote Health Monitoring System



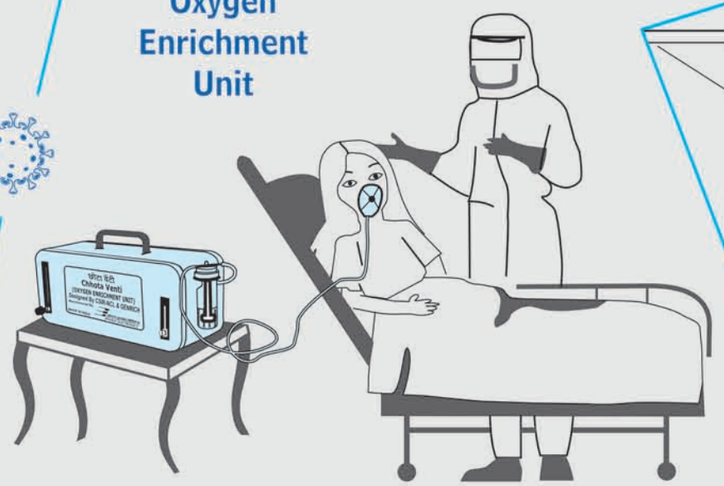
Reaching out to the needy



IR Contactless Thermometer



Oxygen Enrichment Unit



Automatic Fever Detection & Alerting System using Hand Held Thermal Imager



Our Vision & Mission, Values and Objectives

VISION

To be a World-class Enterprise in Professional Electronics.

MISSION

To be a customer focused, globally competitive company in Defence Electronics and in other chosen areas of Professional Electronics, through Quality, Technology and Innovation.

VALUES

- Putting customers first.
- Working with transparency, honesty & integrity.
- Trusting & respecting individuals.
- Fostering teamwork.
- Striving to achieve high employee satisfaction.
- Encouraging flexibility and innovation.
- Endeavouring to fulfil social responsibilities.
- Proud of being a part of the organisation.

OBJECTIVES

- To be a customer focused company providing state-of-the-art products & solutions at competitive prices, meeting the demands of quality, delivery & service.
- To generate internal resources for profitable growth.
- To attain technological leadership in Defence Electronics through in-house R&D, partnership with defence / research laboratories & academic institutions.
- To give thrust to exports.
- To create a facilitating environment for employees to realise their full potential through continuous learning & teamwork.
- To give value for money to customers and create wealth for shareholders.
- To constantly benchmark company's performance with best-in-class internationally.
- To raise marketing abilities to global standards.
- To strive for self-reliance through indigenisation.

The Past Decade

(₹ in Lakhs)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sales & Services	552969	570363	601190	617423	669457	754117	882470	1008484	1178922	**1260776**
Value of Production	552080	579358	628991	612690	665854	777537	924383	966956	1192142	**1234833**
Other Income	38933	70312	60993	42847	47795	53708	47101	20038	16954	**10194**
Materials	312931	366903	408463	358356	374453	406077	483222	510350	607993	**684573**
Employee Benefits Expense	104186	108123	111079	103043	126345	125726	154831	177233	187905	**205749**
Depreciation / Amortization	12204	12080	13071	14210	15396	17221	19152	25100	31622	**34964**
Interest / Finance Cost	73	60	78	340	138	451	1178	127	1221	**326**
Other Expenses	45504	55019	57174	77439	67360	123978	141733	110977	139574	**102833**
Profit Before Tax	116115	107485	111459	117474	146669	173212	202942	194784	270319	**247917**
Provision For Tax	29968	24495	22476	24312	29945	42476	48180	54855	77590	**68534**
Profit After Tax	86147	82990	88983	93162	116724	130736	154762	139929	192729	**179383**
Dividend (Amount)	17280	16640	17840	18640	23360	40800	50257	49058	82844	**68224**
Dividend (%)	216	208	223	233	292	170	225	200	340	**280**
Equity Share Capital	8000	8000	8000	8000	8000	24000	22336	24366	24366	**24366**
Other Equity	490571	554221	622369	693724	780503	874360	728518	751735	877525	**960928**
Loan Funds	41	10	1	-	-	-	5000	6666	3334	**833**
Gross Block	178900	190158	207323	222667	248515	114689	161699	221984	301320	**379483**
Cumulative Depreciation / Amortization	130529	139142	149778	157572	171405	17029	36168	61275	92880	**127514**
Inventory	246032	279182	327108	337014	342688	417747	490501	473912	445479	**396275**
Trade Receivables	289681	268686	333467	412854	378614	371193	435488	504950	536921	**673291**
Working Capital	430800	478994	544494	607714	690982	737289	530455	436595	537631	**581656**
Capital Employed	479171	530010	602039	672809	768092	834949	655986	597304	746071	**833625**
Net Worth	498571	562221	630369	701724	788503	898360	750854	776101	901891	**985294**
Earnings Per Share (in Rupees)	3.26	3.15	3.37	3.53	4.42	4.95	6.03	5.70	7.91	**7.36**
Book Value Per Share (in Rupees)	20.77	23.43	26.27	29.24	32.85	37.43	33.62	31.85	37.01	**40.44**
No. of Employees	11180	10791	10305	9952	9703	9848	9716	9726	9612	**9279**

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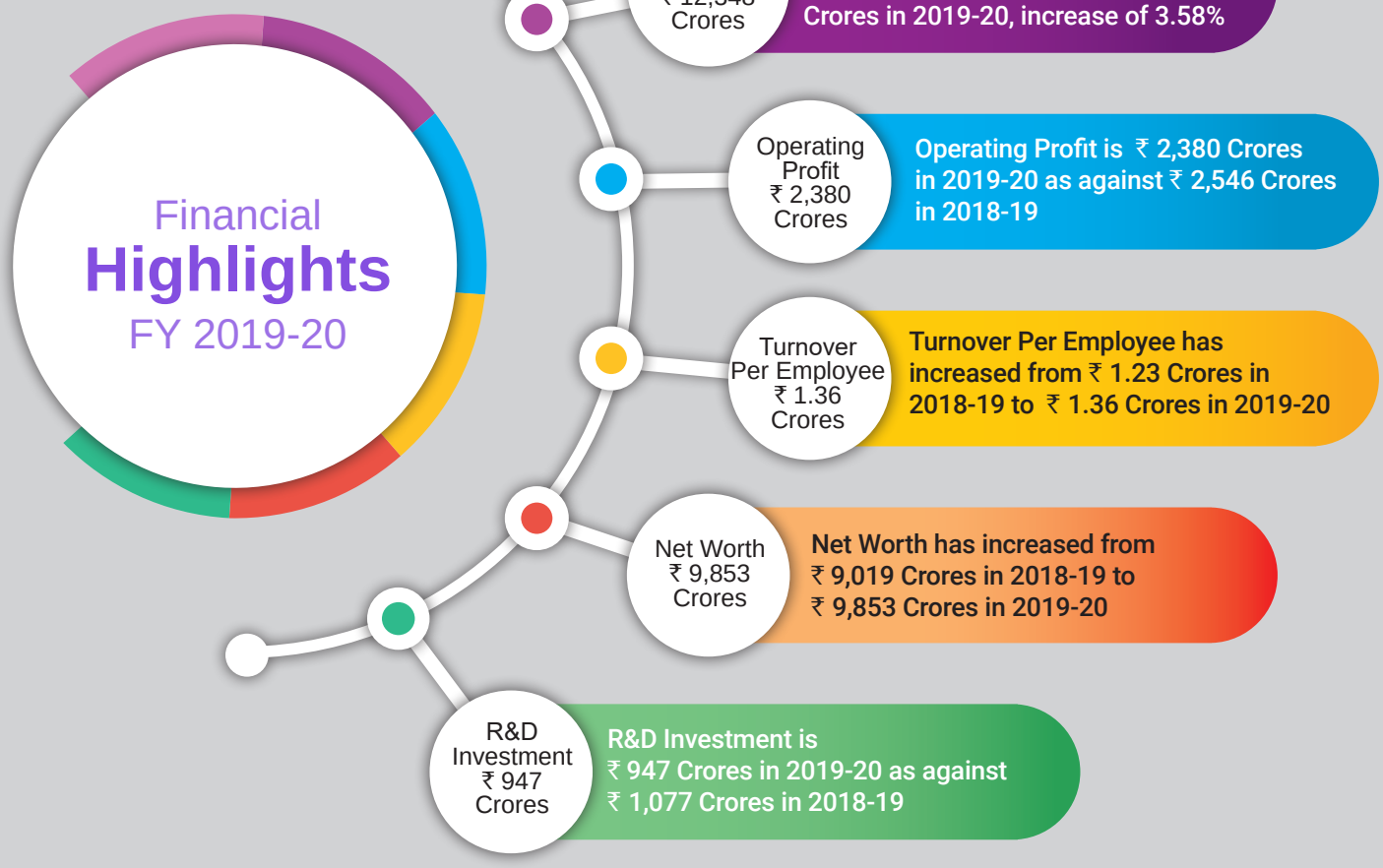
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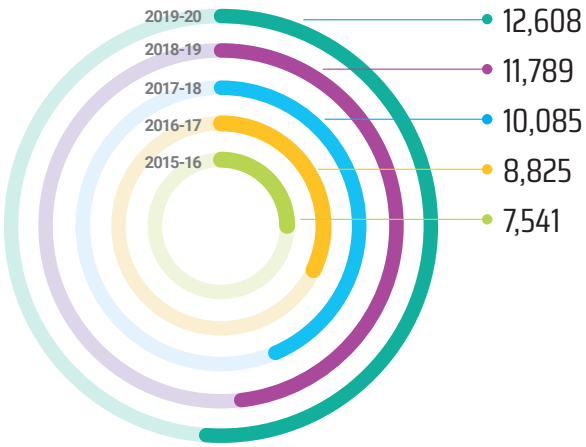


Financial Highlights (FY 2019-20)

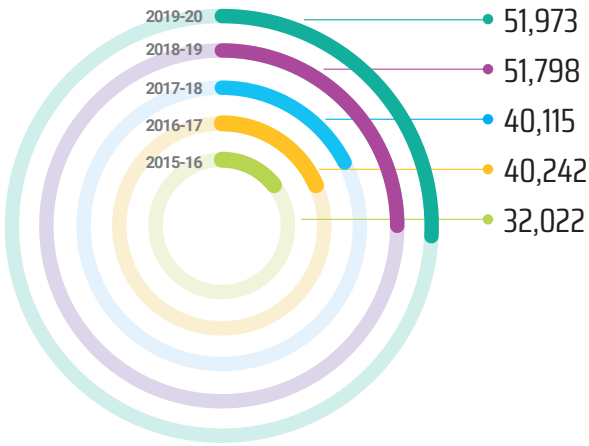


Financial Highlights (Last 5 FYs)

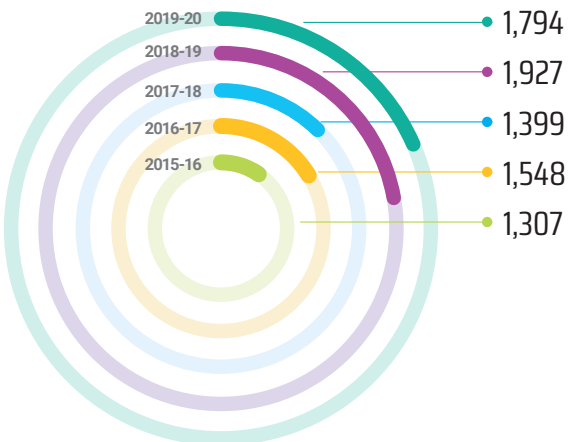
Turnover
(₹ in Crores)



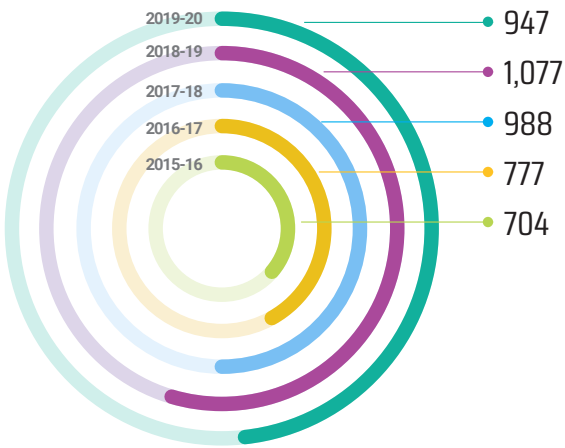
Orderbook
(₹ in Crores)



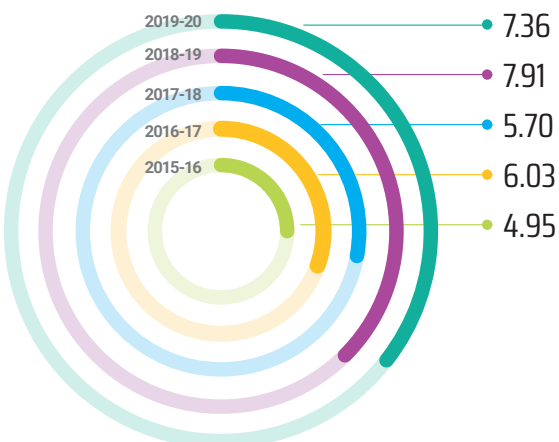
Profit After Tax
(₹ in Crores)



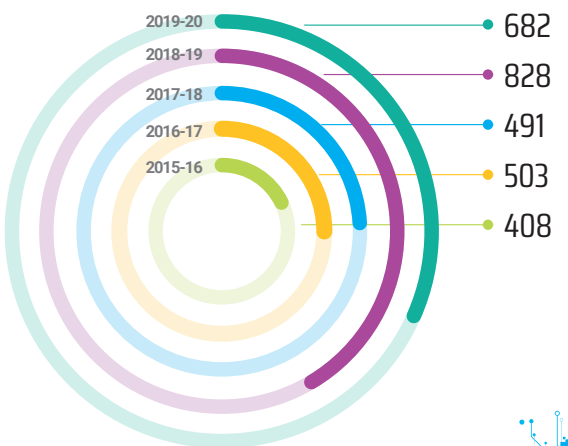
R&D Investment
(₹ in Crores)



Earnings Per Share
(in ₹)



Dividend Distribution
(₹ in Crores)



Chairman's Letter



Dear Shareholders,

It gives me immense pleasure to share through this letter, the achievements and financial highlights of your Company during the past year. The unprecedented & unforeseen crisis due to the virulent Novel Corona Virus (Covid-19) had shaken the humankind across the world and economy in particular. Even your Company's business operation was halted in view of the countrywide lockdown but even under these conditions, your Company could post a decent financial performance due to good progress made during the year.

In FY 2019-20, there were considerable challenges in the business environment we operate. In spite of the challenges, your Company has achieved the growth targets with greater emphasis on R&D, technology updation and constant infrastructure modernisation to meet the fast changing business environment. Your Company has achieved significant growth in revenues. Your Company has continued to maintain its leadership position in supplying equipment / systems to Defence Forces and is on a steady growth path. I take this opportunity to share with you the performance highlights during the past year and the future outlook for the Company.

Highlights of the Year

Your Company achieved a turnover of ₹ 12,60,776 Lakhs during 2019-20 against ₹ 11,78,922 Lakhs in 2018-19, thereby registering a growth of 6.94%. BEL achieved an export sale of 48.59 Million USD during the year. Some of the countries, where your Company's products were exported are Switzerland, USA, France, Germany, Israel, Sweden, Seychelles, Mauritius, Armenia, Srilanka, Guinea, Namibia and Indonesia. The major Products / Systems exported during the year include Radars, Radar Finger Printing Systems, Sub Systems of Radars & Spares, Coastal Surveillance System, EW Systems, Data Links, Cable Looms, Mechanical Parts, Communication Equipments, E.O. Sensors and Vaccum Interrupters etc.

Growth of **6.94%** in Turnover

All the nine manufacturing Units of the Company have performed well. The Profit After Tax is ₹ 1,79,383 Lakhs for 2019-20 as against ₹ 1,92,729 Lakhs in 2018-19. The Net Worth of the company has increased from ₹ 9,01,891 Lakhs in year 2018-19 to ₹ 9,85,294 Lakhs in 2019-20. At Rs 51,97,318 Lakhs (as on 1st April 2020) the order book continues to be healthy and further good order inflow projections are expected in the next 2-3 years.

R&D investment **7.5%** of turnover

R&D has been the main focus area of your Company for increasing indigenisation and value addition in our products / systems. The total investment on R&D as a percentage of turnover during the year was 7.5% which is one of the highest among the defence PSUs. It is our constant effort towards indigenous development that has led us to achieve 79% of our turnover from indigenous products. 21% of our revenues came from products manufactured through ToT from foreign OEMs. Defence being the mainstay of the Company, has contributed 82% of sales revenue in 2019-20 as against 68% in 2018-19, with the balance 18% coming from the non-defence sector.

Revenue through defence business is **82%**

Some of the major products / systems introduced during 2019-20 are Radars for export, CSS for Maldives, Ship to Shore Communication System, Systems for Akash NG, Digital Flight Control Computer (DFCC) Mk-IA, Battlefield Surveillance System (BSS), CDMA based wireless communication system, IFDSS, Software Defined Radio (SDR)-TAC, COMNET Guinea, Missile Data Link Unit MK II, Radar Warning Receiver, Tethered UAV, Handheld Signal Generator, NAISS, IPSS, Varunastra Acoustic System (VAS), Bharani Mk-II Radar, IFF MK-XII etc.

Your Company has received orders worth about Rs 13,20,000 lakhs during the year. Major Orders received include Akash, Chain of Static Sensors (CSS) Ph.II, Upgrade for EW system, Radars, AMCs for Radars & Weapon Systems, Software Defined Radio (SDR), Sonars, Advanced Communication Systems etc.

Your Company has been granted three (3) patents in 2019-20, with this the total no. of patents granted is ten (10). As many as 135 technical papers were published by scientists and R&D engineers of BEL in various National and International journals / seminars / conferences. Your Company has filed for 160 IPRs (including 94 Patents).

Filed application for **160** IPRs

Some of the performance highlights of your Company are:

- Product Development & Innovation Centre inaugurated by Hon'ble Raksha Mantri at Bengaluru Unit.
- New State-of-the-art manufacturing facility for Composite Material, Environmental Testing & Finishing inaugurated by Hon'ble RRM at Navi Mumbai Unit.
- New Production Building at BEL Hyderabad Unit.
- Secure Triple Play Services at BEL Bengaluru Unit
- 2100 Litre Climatic Chamber with 60 TR Chillers at BEL Kotdwara Unit.
- Excellent "MoU" Rating for 2018-19 from DPE.
- Commencing operations of New Marketing Office at Oman and expansion of office at New York to handle marketing activities.
- Creation of new SBU in the area of Advanced Defence Systems-Navy (ADSN).
- Creation of Micro SBU (Separate Business Verticals) in the area of Seekers & Missiles, Solar Power Systems, Un-manned Systems & Energy Storage Products.
- BEL has filed 160 Intellectual Property Rights (IPR) applications in the areas of Electro optics, Surveillance, Radar technology, Communication technology and Software technology.
- BEL has empanelled 263 partners towards Collaborative R&D which includes 30 collaborative R&D partners, 165 design service providers, 35 consultants and 38 Production service providers.
- CMMI Level-5 Certification to two more SW Centres and Level-3 Certifications for 3 SW Centres.

You will be happy to know that your Company has received several accolades during the Year, the most noteworthy being:

- Platinum Level recognition for Ghaziabad & Hyderabad Units in CII EXIM Bank Business Excellence Awards.
- India's Best PSU Award 2018 by Dalal Street Investment Journal.
- Digital India Award 2019.
- Karnataka State Export Excellence Award.
- ICC PSE Excellence Awards for R&D, Operational Performance & HR.
- IPC First India Award.
- Aerospace & Defence Awards for 'Excellence in Exports & CSR'.
- 'Governance Now' Awards for Research & Innovation.
- Jamnalal Bajaj Fair Business Practices Award.

Future Outlook

The prevailing turbulence in the global business environment has been impacting business and posing a major threat for growth. To combat the risks associated, your Company is foraying into new business areas and keeping pace with the fast changing technological advancements besides enhancing operational efficiency. Also, the Government's emphasis on 'Make in India' initiative in Defence sector provides a great opportunity for the Company to enhance indigenization efforts and to address the emerging opportunities in Indian Defence sector.

BEL is targeting a healthy growth of 12-15% during 2020-21. Segments like Radar and Missile Systems, Communication and Network Centric systems, Anti-Submarine Warfare & Sonar Systems, Tank Electronics, Gun upgrades, Electro Optic systems and Electronic Warfare & Avionics systems will continue to drive the Company's growth in the coming years. Your Company is always focused on enhancing capabilities and competitiveness through indigenisation, diversification, continuous modernisation, creating several world-class facilities for R&D, Testing, Production, Skill development and outsourcing to Indian industries with increased thrust on MSME sectors. In the non - defence segment your Company is pursuing business in the field of Homeland Security solutions, Smart City, Energy Storage Products including e-Vehicle Charging Stations, Solar, Space Electronics including Satellite Integration, Network & Cyber Security, Railways & Metro Solutions, Airports Solutions, EVMs, Telecom Products, PNVDs, Medical Electronics, Composites and Software Solutions.

The future for your Company looks promising as well as challenging. The Defence Sector is being opened up for private sector participation with evolutions of Defence Procurement Procedure. In this changing business scenario, your Company is focusing on enhancing interaction levels and building long term relationships with emerging Strategic Partners, Customers and other key stakeholders in the Indian defence industry. The real impact of Covid-19 on your Company is to be seen in the near future as the situation is evolving. However, your Company has started taking mitigation measure to reduce the impact on the performance.

The Government has introduced "Make-II" procedure for enhancing the participation of Indian Industry including MSME's in providing the import substitution and for promotion of innovative solutions for defence equipment. Your Company has also responded to many of the "Make-II" projects which are in line with BEL's business.

It is important for BEL to stay abreast of technology and develop new products regularly to meet the requirements of the customers and in providing the cost effective & innovative solutions. Thrust on R&D across the Company will continue with roadmaps drawn for future products, new technology areas, intellectual property creation, acquisition of key technologies and filing of patents. Your Company is also laying greater emphasis on working closely with DRDO labs, research institutions and academic institutions as well as with niche technology companies & consultants for development of new products and systems. Your Company is working on emerging technologies such as Artificial Intelligence, Big Data Analytics, Internet of Things, 5G Wireless communication, Robotics & Computer vision, Augmented & Virtual Reality, Quantum Cryptography etc. under the R&D collaboration with academia and start-ups.

To retain the leadership position in strategic electronics your Company has evolved various strategies and has developed action plans to face competition and maintain technological edge.

Some of the major projects planned for execution during 2020-21 are Long Range Surface to Air Missile System (LRSAM), ICU Ventilators, Akash Missile System (7 Sqdn), Coastal Surveillance System (CSS) Phase-II, Kerala Fibre Optic Network (K-FON), Shakti Ph-III, Integrated Perimeter Security System (IPSS), HUMSA NG Systems, Integrated Air Command & Control System (IACCS), Samyukta Upgrade, Thermal Imagers for tanks, Smart City Projects, Electronic Fuzes, Delhi CCTV, Naval Airfield Integrated Security System (NAISS), Software Defined Radios.

On the Export front, the order book as on 1st April 2020 is US $ 164.01 Million including Offset orders of US $ 73.65 Million. To give greater thrust to exports, your Company has opened marketing office at Oman during the year, in addition to the offices which are operational at New York, Myanmar, Singapore, Vietnam and Sri Lanka. Your Company has put in efforts for increasing the business opportunities in South East Asia, Europe, Middle East, Africa and North America by incessant engagement with Customers and is also working closely with other Indian Companies & local partners in respective countries as part of maximizing geo-strategic reach and to increase global footprint.

Strategic New Initiatives

Your Company is working in strategic areas like Homeland Security solutions, Smart City, Li-Ion Cells/Fuel Cells, Solar Projects, Space Electronics including Satellite Integration, Network & Cyber Security, Railways & Metro solutions, Composites, Software Services, Unmanned Systems including Robotics, RF and IR Seekers, Missiles, Rockets, Glide Bombs & Ammunition in-line with the emerging needs of the Customers.

CSR

Your Company has taken various CSR programmes/initiatives/projects as per the Company's CSR & Sustainability Policy, which is in-line with Section 135 & Schedule VII of the Companies Act, 2013. Your Company has spent ₹ 3116.96 Lakhs in key sectors like School Education, Healthcare, Nutrition, Rural Development & Vocational Skill Development. Your Company has donated an amount of ₹ 1,000 Lakhs from CSR funds to PM-CARES Fund, set up to provide relief to those affected by any kind of emergency or distress situation, such as that posed by COVID-19 pandemic.

Governance and Sustainability

Your Company takes pride in constantly adopting and maintaining the highest standards of values and principles. A detailed report on compliance of the guidelines on Corporate Governance, as required by the SEBI (LODR) Regulations, 2015 and the guidelines issued by the Department of Public Enterprises for CPSEs, forms part of the Board's Report.

The corporate performance of BEL, which is measured in terms of the economic, environmental and societal parameters augers well to reinforce the image of BEL as a socially responsible corporate entity. Sustainability in BEL is the continuing commitment to behave ethically and contribute towards economic development while improving the quality of life of its workforce, their families and the local community and society at large. The philosophy of greening the environment through recycle, reuse and reduce approach will continue in the near future.

Acknowledgements

I am grateful to the Board of Directors and members of management committee for their unwavering support and guidance. Ministry of Defence and Defence Services have been continuously providing valuable guidance and support. I further deeply appreciate our shareholders, esteemed customers and business associates for providing the opportunities to earn their confidence.

The dedication and commitment of our employees and officers at all levels continues to be the major strength of our Company. We shall make continuous efforts to build on these strengths to face future challenges and sustain the momentum for profitable growth.

With Best Wishes,

Yours sincerely



M V Gowtama
Chairman & Managing Director

Bengaluru
7 September 2020

Highlights of the Year



Shri Shripad Naik, Hon'ble Raksha Rajya Mantri, inaugurating the Composite Materials, Environmental Testing & Finishing manufacturing facility established at BEL's Navi Mumbai Unit



Inauguration of BEL's Product Development & Innovation Centre in Bengaluru by the Hon'ble Raksha Mantri, Shri Rajnath Singh



Inauguration of the Bengaluru node of the C4I System developed by BEL for the Indian Air Force



Inauguration of Integrated Command and Control Centre for the Smart City project under execution in Belagavi, Karnataka, by BEL



Contract with MoD, GoI, to establish Phase-II of the Coastal Surveillance System developed for the Indian Coast Guard



Handing over of 170% final dividend cheque for Rs. 231.69 Cr to the Government of India for the Financial Year 2018-19

Highlights of the Year



Launch of the indigenous System On Chip (SOC) based Tablet PC developed by BEL



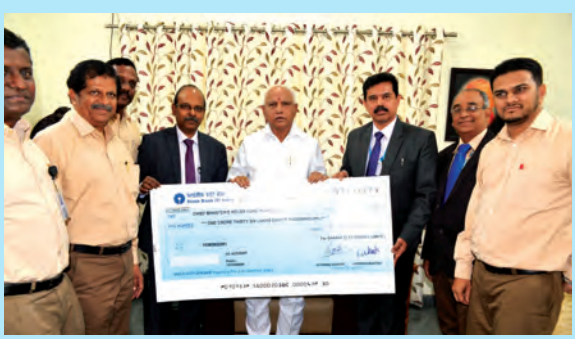
The 100th EOIR Payload being handed over to ELOP, Israel



201st Upgraded L-70 Gun being flagged off



Contribution of Rs. 45.6 lakhs to the Kerala Chief Minister's Flood Relief Fund



Contribution of Rs. 1.36 Cr to the Karnataka Chief Minister's Flood Relief Fund



Inauguration of the new Integration and Testing Facility at BEL-THALES Systems Limited (BTSL), a subsidiary of BEL

New Business Initiatives



MoU with Lockheed Martin to explore industrial opportunities in the F-21 programme



MoU with Tech Mahindra to develop products/systems for the armed forces leveraging next generation digital technologies for IT, Digital and Cyber Security solutions



MoU with Ordnance Factory Board to continue existing co-operation to meet the requirements of Indian Defence forces and export market



MoU with Tamil Nadu Industrial Explosives Limited (TEL) for co-operation in the explosives segment



MoU with SIGTECH Wireless Technologies Pvt Ltd for the manufacture of Digital Mobile Radio for Paramilitary and Defence



MoU with RailTel Corporation of India Ltd for co-operation in the field of Cloud Services, IoT, e-Governance, Smart Cities, Networks for Defence projects and mission critical Communication systems for domestic and international markets

New Business Initiatives



MoU with Israel Aerospace Industries (IAI) for collaboration on establishing a new Service and Maintenance Centre for Air Defence Systems in India



Tripartite MoU with Garden Reach Shipbuilders & Engineers Ltd (GRSE) and Elbit Systems, Israel, for development and customisation of Elbit's Unmanned Surface Vessels for the Navy's requirements



MoU with BHEL for co-operation in the development of products/systems for domestic and export markets



Collaboration and Marketing Agreement with JSR Dynamics Pvt Ltd (JSR), a Nagpur-based Start-up company, for developing Glide Bombs, Range Extension Kit and Light Weight Cruise Missile



MoU with BITS Pilani to provide long-term technology courses for BEL Executives

Board of Directors

(as on 1 September 2020)



Mr M V Gowtama

Chairman &
Managing Director



Mrs Anandi Ramalingam

Director
(Marketing)



Mr Vinay Kumar Katyal

Director
(Bangalore Complex)



Mr Shivakumaran K M

Director
(Human Resources)



Mrs Shikha Gupta

Director
(Other Units)



Mr Dinesh Kumar Batra

Director
(Finance) & CFO



Mr Rajasekhar M V

Director
(Research & Development)

Board of Directors

(as on 1 September 2020)



Dr Amit Sahai

Joint Secretary (P&C),
MoD, Dept. of Defence Production
Govt. Nominee Director



Ms J Manjula

DS & DG (ECS), DRDO
Govt. Nominee Director



Mr Mukka Harish Babu

Chartered Accountant
Independent Director



Mr Surendra S Sirohi, ITS (Retd)

Ex-Secretary to Government of India
Independent Director



Dr Vijay S Madan, IAS (Retd)

Ex-Secretary to Government of India
Independent Director



Mr Sunil Kumar Kohli, IDAS (Retd)

Ex-FADS-Ministry of Defence
Independent Director



Mr S Sreenivas

Company Secretary

Senior Management

(as on 1 September 2020)



Mr Shrikant Walgad, IAS
Chief Vigilance Officer



Mrs Rani Vergis
ED Finance - CO



Mr Manoj Kumar
ED NM - DELHI



Mr Joydeep Majumder
ED NCS & UH - GAD



Mr Ravi B S
ED ADSN - BG



Mr Man Mohan Pandey
GM PS - CO



Mr Ranjan Banerjee
GM CM - DELHI



Mrs Hemalatha K
GM SP - CO



Mr Vikraman N
GM HR - CO



Mr Anil Pant
GM IM - BG



Mr Charan Singh
OSD PS - CO



Mr Suresh Kumar K V
GM TP - CO



Mr. Raman R
GM IA - CO

Senior Management

(as on 1 September 2020)



Mr Ramesh T N
GM - HYD



Mr Nanda Kumar V
CS-CRL - BG



Mr Srinivasan R
GM MS - BG



Mrs Ruchi Garg
GM SCCS - GAD



Mr Jagdish Chand
GM RADAR - GAD



Mr Bhanu Prakash Srivastava
GM NS-S&CS - BG



Mr Umesh Chandra
GM - NAMU



Mr Rama Reddy S
GM EW&A - BG



Mr Manoj Jain
GM - PD&IC



Mr Basheer Ahamed
GM ES - BG



Mr Amrendra Kumar Singh
CTO EO&L - PD&IC



Mrs Padmini Balachandra
CTO R&WS - PD&IC



Mr Sekhar R L
GM SC&US - BG



Mrs Durga G K
GM Software - BG



Mr Sankarasubramanian R
GM EM - BG



Mr Pugazhenthi R
GM HLS&SCB - BG

Senior Management

(as on 1 September 2020)



Mr Loyola Pedro Vianney G
GM - CHN



Mr Rajendra K
GM - PUNE



Mrs Prabha Goyal
GM - PK



Mr Murali V
GM Finance - BG



Mr Prabhakar Rao B
GM - MC



Mr Rudhiramoorthy A
GM - KOT



Mrs Ancy James
GM MilCom - BG



Mr Anoop Kumar Rai
CS CRL - GAD



Mr Umesh K S
GM NS-R&FCS - BG



Mr Naresh Kumar S
GM COMPS. - BG

Auditors

Statutory Auditors
M/s SURI & CO.,
Bengaluru

Branch Auditors
M/s Tambi & Jaipurkar, Pune
M/s J P Kapur & Uberai, New Delhi
M/s Tungala & Co., Machilipatnam

Cost Auditors
M/s GNV & Associates,
Bengaluru

Secretarial Auditors
M/s Thirupal Gorige &
Associates LLP
Bengaluru

Visits



Shri Shripad Yesso Naik, Hon'ble Raksha Rajya Mantri



Vice Admiral S V Bhokare, Inspector General (Nuclear Safety)





Gen (Retd) V K Singh, Hon'ble Minister of State for Road Transport and Highways, GoI, speaking after unveiling BEL's 'Smarak' for martyrs at BEL-Ghaziabad



Lt Gen A P Singh, DG AAD



Indonesian delegation

Visits



Journalists from Central Asian countries such as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan



His Excellency Munu Mahawar, Ambassador of India to the Sultanate of Oman



Vice Admiral G S Pabby, COM



Dr Ajay Kumar, Secretary (Defence Production)



Myanmar delegation



Members from the Royal Saudi Naval Forces

Visits



Defence delegation from Nepal



Directing Staff and Naval officers from Sri Lanka, Maldives, Ghana, Myanmar, Nigeria, Indonesia, Oman and Mauritius



Dr Sumeet Jerath, IAS, Special Secretary, Cabinet Secretariat



Delegation from Mozambique



Vice Admiral A K Saxena, CWP&A



Air Marshal Sandeep Singh, DCAS, IAF

Touching Lives Through CSR











Touching Lives Through CSR















Awards Gallery



Jamnalal Bajaj Award for Fair Business Practices in the Manufacturing Enterprises – Large category



Business World Digital India Award for 'Best Initiative in Transport and Mobility' in the Government sector for 'SWAGAT'



'The Great Son of the Soil' Award for Mr Gowtama M V, CMD, from the All India Conference of Intellectuals, Karnataka State Bar Council



Indian Chamber of Commerce (ICC) PSE Excellence Award for 'Human Resources Management Excellence'



Karnataka State Export Excellence Award



SAP Media Worldwide Ltd Aerospace & Defence Awards for 'Excellence in Exports' and 'Excellence in Contribution Towards Positive Social Impacts (CSR)'

Board's Report

To the Members,

Your Directors take pleasure in presenting their Report and the Audited Financial Statements for the financial year ended 31 March 2020 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

Financial Results and Performance Highlights

Financial results and performance highlights of the Company are summarised below:

(₹ in Lakhs)

Particulars	2019-20	2018-19
Value of Production	12,34,833	11,92,142
Turnover	12,60,776	11,78,922
Profit Before Depreciation, Interest and Tax	2,83,207	3,03,162
Finance Cost	326	1,221
Depreciation & Amortisation	34,964	31,622
Profit Before Tax	2,47,917	2,70,319
Provision for Tax	68,534	77,590
Profit After Tax	1,79,383	1,92,729
Other Comprehensive Income/(Loss)	(3,814)	(4,021)
Total Comprehensive Income	1,75,569	1,88,708
Dividend paid	75,534	51,168
Tax on Dividend	15,439	10,518
Transfer to General Reserve	40,000	40,000
Other Equity (Including Reserves & Surplus)	9,60,928	8,77,525
Net Worth	9,85,294	9,01,891
Earnings Per Share (in ₹)	7.36	7.91
Book Value Per Share (in ₹)	40.44	37.01

Distribution of Value of Production for 2019-20 is given below:

Particulars	Amount (₹ in Lakhs)	Percentage
Materials	6,84,573	55.44%
Employee Cost	2,05,749	16.66%
Other Expenses (Net)	61,630	4.99%
Depreciation & Amortisation	34,964	2.83%
Provision for Tax	68,534	5.55%
Profit After Tax	1,79,383	14.53%
Total	**12,34,833**	**100.00%**

Company's Turnover for the year 2019-20 has increased to ₹ 12,60,776 Lakhs from ₹ 11,78,922 Lakhs in 2018-19, registering a growth of 6.94%. Profit after tax for the year is ₹ 1,79,383 Lakhs as compared to ₹ 1,92,729 Lakhs in the previous year. Turnover from indigenously developed products is 79%. Supplies to the defence contributed to 82% of turnover in 2019-20 as compared to 68% in the previous year.

Impact of COVID-19 Pandemic

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11 February 2020. In the last month of the financial year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lock-downs of all economic activity.

As per the instruction of Govt. of India, enforcing social distancing to contain the spread of the disease, work in all the Company's Units/Offices were temporarily suspended w.e.f 24.03.2020, except for essential staff. Subsequently, Bangalore Unit of the Company resumed partial operations in April 2020 for the manufacture of ventilators based on the orders received from Ministry of Health and Family Welfare adhering to all the precautionary measures and after obtaining approval from concerned authorities. The lockdown has affected the operations of the Company during end of March 2020, April 2020 and partially in the month of May 2020.

BEL has undertaken a detailed study, on the possible impact of COVID-19 on Company's operations including the financial parameters. The internal study and analysis predict that on short term, the COVID-19 may impact the Company's operations in terms of delivery schedules, however, on a long term basis, it is likely to have a less impact on the Company's operations and performance.

Defence being the major revenue segment of BEL; BEL does not foresee any fall in the demand for its products/ services due to COVID impact on a long term basis, though there may be a little delay in order acquisition in the short term. Enhanced focus of the Government of India on Self Reliance (Atmanirbhar Bharat Abhiyan), is likely to boost the Company's prospects as an leading indigenous solution provider in defence sector and will have a favourable impact on the Company's performance in the coming years.

Dividend

In pursuant to regulation 43A of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has formulated a Dividend Distribution Policy keeping in view the provisions of SEBI (LODR) Regulations, 2015, the Companies Act, 2013, Guidelines issued by SEBI, DPE, DIPAM, Ministry of Finance and other Guidelines to the extent applicable to the Company. The Policy is placed on the Company's website at http://www.bel-india.in/ContentPage.aspx?MId=17&CId=527&LId=1&link=527

The Board of Directors has recommended a final dividend of ₹ 1.40/- per equity share (140%), amounting to ₹ 34,112 lakhs for the year 2019-20. An interim dividend of ₹ 1.40 per equity share (140%) has been paid to the shareholders during 2019-20. Thus, the total dividend for the year 2019-20 is ₹ 2.80/- per equity share (280%), amounting to ₹ 68,224 Lakhs.

Transfer to Reserves

An amount of ₹ 40,000 Lakhs is transferred to general reserves for the financial year 2019-20.

Share Capital

The Company's authorized capital is ₹ 25,000 lakhs (250,00,00,000 equity shares of ₹ 1/- each) and paid-up share capital is ₹ 24,366 lakhs as on 31 March 2020. There was no change in the paid-up share capital during the year.

Major Orders Executed

Some of the flagship projects executed during the year for tri services and non-defence customers are Command & Control Systems, Thermal Imagers for tanks, upgrade of Communication System, Land Based EW Systems, Weapon Repair Facility, Electronic Fuzes, various Radars, Naval Airfield Integrated Security System (NAISS), Kerala Fibre Optic Network (K-FON), Smart City Projects, Delhi CCTV Project, Schilka Upgrade, Avionics Package for Light Combat Aircraft (LCA), Classroom Jammers, Real-time Train Information System (RTIS) for Railways and Part supply of Long Range Surface-to-Air Missile (LRSAM) System.

Exports

Your Company has been giving an increased thrust towards harnessing the export potential of Defence electronics products & systems including Homeland Security Solutions, Border Protections Systems and state of the art systems & solution and professional electronics to address civilian market, which represents its core area of business.

BEL has been exporting various products and systems to foreign countries and Original Equipment Manufacturers (OEMs). Having established a healthy relationship with its current & prospective customers and based on their requirements, BEL is regularly interacting with Ministry of External Affairs & Ministry of Defence for enabling supply of various products and systems to them.

BEL is also exploring civil and medical equipment's market in developed, developing & third world countries with product and solutions like Artificial Intelligence based solutions, software development for various civilian projects, post office and school's upgradation projects, smart cities, critical infrastructure development, solar power generation projects, ventilators, etc.

BEL is focusing on the various opportunities in the area of helping OEM's to meet offset obligations in various Request for Proposals (RFPs) of Ministry of Defence on account of offset policy incorporated in the Defence Procurement Procedure. In this regard BEL is closely working and partnering with various major foreign Aerospace and Defence Companies. BEL is also offering proven products and systems to meet the specific requirements of customers. BEL has identified contract manufacturing (build to print and build to spec) and Transfer of Technology of the latest systems and solution as new areas of emerging export opportunities. Further efforts are being made to establish long term supply chain relationship with global players.

BEL with concentrated effort is focusing on the various Make in India programs. BEL has offered its various products and services to major Platform OEM's and their Tier-I suppliers. This has helped the Company in leveraging partnership for co-development, co-production and similar arrangements with various OEM's to get the manufacturing of the products at the Company and utilization of services of Company not only for Indian programs but also for their Global requirements.

Company has achieved an export order acquisition worth US$ 101.47 Million during 2019-20, from various customers viz., USA, France, Germany, Switzerland, Israel, Sweden, Myanmar, Mauritius, Armenia, Namibia and Bhutan. Export order acquisition in 2019-20 was all time high in BEL and with this the export orders on hand as on 1 April 2020 is US$ 164.01 Million.

Company has achieved an export sale of US$ 48.59 Million during 2019-20, to various countries, viz., Switzerland, USA, France, Germany, Israel, Sweden, Seychelles, Mauritius, Armenia, Srilanka, Guinea, Namibia, Indonesia, China and SEZ's. Major Products / Systems exported are Weapon Locating Radar, Coastal Surveillance Systems Radar, Sub Systems of Radar and EW Systems, Data Link II, Cable looms, Mechanical Parts, Communication Equipment's, IFF-Interrogator, Radar Finger Printing System, EOS, Vacuum Interrupters and Radar Spares, etc.

Increase in export sale was mainly due to the concentrated efforts made by the Company and new export initiatives taken such as continuous and focused discussion with Ministry of External Affairs & Ministry of Defence and customers, proactive approach to the customers with offering new and complete systems and procedures, increase in the customer's base, taking up new customized & critical projects and delivering them on time as per the requirement of customers, more directed efforts in support / services extended to customers to develop solutions based on their requirement and future threats and opportunities.

Initiatives taken to increase exports by development of new markets for products & services during the year 2019-20:

❖ **Marketing Offices Abroad**

- BEL has put in efforts for increasing the business opportunities in USA, Europe, South East Asia, Africa and Middle East by incessant engagement with customers.
- A Marketing office in Oman was established.
- New Partners / Agents were identified and arrangements were signed in various countries worldwide.

❖ **Strategic Alliance with the Foreign OEMs**

Proposed strategic alliance with foreign OEMs to address global markets by offering the best value proposition.

- IAI – Missile Systems.
- Elbit Systems Electro Optics, Israel – Electro optics.

❖ **Major leads in pipeline for following products and systems offered to foreign countries / customers:**

- Coastal Surveillance System.
- Radar.
- Upgradation of Naval Radar and Sonars.
- Contract Manufacturing.
- Communication Equipment's.
- Avionics.

❖ **The following were the scope for offset business during the year 2019-20:**

- Data Link II for the Boeing Company, USA.
- IFF – Interrogator for the Boeing Company, USA.
- Radar Finger Printing Systems for the Boeing Company, USA.
- EoS CoMPASS for Elop, Israel.
- Operators Module for SAAB, Sweden.
- EW & Radar Sub-Assemblies for Thales, France.

MoU with Government

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Government of India, Ministry of Defence. Performance of the Company for the year 2018-19 has been rated as **"Excellent"** in terms of the MoU with the Government of India. The MoU rating for 2019-20 is under review by the Government of India.

Order Book Position

The Order Book of the Company as on 1 April 2020 is ₹ 51,973 Crores. The order book comprises of mainly major programs like Long Range Surface-to-Air-Missile System, Akash, Integrated Air Command Control System,

Battlefield Surveillance System, Coastal Surveillance System (Phase-II), Advanced Composite Communication System, Command Information Decision Support System, EW Suite, Kerala-Fibre Optics Network, Smart City Projects, Integrated Perimeter Security Solution, Naval Airfield Integrated Security System, Samyukta upgrade, AMCs for Surveillance Radar Element, Software defined Radio, Commander Thermal Imaging Sights, Sonars, Shakti PH III etc.

Finance

During this year, your Company has declared dividend of 280% as compared to 340% in the previous year. Apart from the final dividend of ₹ 41,422 Lakhs (170%) for the year 2018-19 which was paid out in 2019-20, interim dividends amounting to ₹ 34,112 lakhs (140%) has been paid during the year 2019-20.

In order to achieve the projected growth in the coming years, a focused initiative is taken up by your Company in taking up some major projects, which are progressing well and the outcome from these projects should enable the Company to achieve the planned higher trajectory of turnover and growth. Despite some amount of budgetary constraints faced by customers, your Company has been able to meet all the incremental working capital requirements through internal accruals. Out of the term loan of ₹ 10,000 lakhs availed in previous years to fund its CAPEX requirement an amount of ₹ 833 lakhs is outstanding as on 31 March 2020. Your Company has retained highest rating by ICRA for both short term and long term borrowing.

The inventory position (net) of the Company as on 31 March 2020 was ₹ 3,96,275 Lakhs as compared to ₹ 4,45,479 Lakhs as on 31 March 2019. This works out to 117 days of value of production as on 31 March 2020 as against 136 days of the previous year. This reduction has been possible due to better inventory control.

The position of trade receivables (net) as on 31 March 2020 was ₹ 6,73,291 Lakhs as compared to ₹ 5,36,921 Lakhs as on 31 March 2019. This works out to 195 days of turnover as on 31 March 2020 as compared 166 days of turnover achieved during the previous year. The increase in trade receivables was mainly on account of higher turnover during the last quarter of the financial year.

Deposits

The Company does not have any Public Deposit Scheme at present. However, the matured Public Deposit amount (collected prior to February 2006) with the Company was ₹ 36.95 Lakhs as on 31 March 2020. Out of this, 34 deposits amounting to ₹ 36.50 Lakhs are not claimed or not paid as these accounts are frozen on advice by Karnataka Lokayukta. The remaining matured deposits of ₹ 0.45 Lakh as on 31 March 2020 is unpaid due to in-sufficient documents/records produced by Depositors.

Research & Development

Company's R&D Philosophy is to enhance its pre-eminence in products / services of Defence Electronics and other chosen fields through Research & Development. Company's R&D strives for development of new products built with cutting-edge technology modules. While fully meeting the customer requirements, the products developed by Company are state-of-the-art, competitive and incorporate highest quality.

Company has established three-tier R&D Structure, namely, Central Research Laboratories (CRLs), a central Product Design & Innovation Centre (PD&IC) and Design and Engineering (D&E) functions attached to various Units/SBUs. The Central Research Laboratories (CRLs) at Bengaluru and Ghaziabad are involved in conducting futuristic R&D in core business areas of the Company and in developing technology modules for use by SBUs/Units. PD&IC at Bengaluru develops common technology modules, subsystems and products in areas of Radar Signal Processing, RF & Microwave Components, Energy Solutions, Electro-optics and Lasers, Encryption Modules, MMICs, Embedded Systems etc. that can be used as building blocks by SBUs/ Units. The D&E groups at SBUs / Units provide Systems and System of Systems solutions to the end users. Towards this, they get necessary technology modules and subsystems developed through CRLs, PD&IC and collaborative R&D partners. They conduct all evaluations and trials needed in the process of inducting these systems into the service. They also extend technical support during the entire product life-cycle and also take care of obsolescence management.

D&E Projects Initiated During 2019-20: Several R&D projects have been initiated during the year 2019-20 both through in-house developments and collaborative efforts (mainly with DRDO). Major projects initiated in 2019-20 are Akash Prime, Development of IRST, 2-Vehicle Rohini, Long Range Surface to Air Missiles, development of indigenous ASR-MSSR, High Power Radar, ECM Jammer MK III, MKIIA MSSR and Active Phased Array based configurable Tactical Surveillance Radar.

D&E Projects Realised During 2019-20: Some of the major projects realized / completed during the year 2019-20 are BEL's Indigenous SoC, Application Software for MRSAM, Sub 1M Ku-Band Manpack Satcom Terminal, Digital Radar Warning Receiver (Tarang Mk-II), DFCC Mk1A Prototype, SDR-TAC, CMS15, USHUS-2 and completion of NC NC trials of ASR & MSSR for Navy.

Important R&D awards/recognitions received during 2019-20 are Indian Chamber of Commerce PSE Excellence award for R&D and IETE's Young Scientist Award won by Mr Vikas Negi, Manager of Ghaziabad Unit.

BEL has met all the MoU parameters w.r.t R&D by timely completion of the following:

- Indigenous development of System on Chip (SoC) and offering it to customers.
- Development of Indigenous X Band LNA MMIC for Radar application and submitting it to DRDO for evaluation/ Field trials.
- Completion of four AI enabled projects ("Proof of Concept" of Object detection and tracking, Social Network Analysis: development, testing & getting first order, Robotic Surveillance Platform: development, testing & getting first order, Proof of Concept Human Face Recognition: development, testing & its first billing).
- System integration and readiness of Compact Gun Fire Control System and offering to Customer for Trial.
- System readiness of LTE based customized eNodeB and offering to customer for Trial.

BEL has set up a Research Park at IIT-Madras for facilitating research projects in collaboration with Academic Institutions/Startups. BEL has also set up a Research cell at Kochi which is currently focusing in research towards development of Side Scan Sonars.

New products developed through in-house / collaborative development efforts during the year 2019-20 are as follows:

1. **Weapon Locating Radar (WLR) Export Version:** Weapon Locating Radar is a Field Artillery Radar System for locating missile batteries, mortars, guns, rocket launchers and guiding direction of fire from friendly guns, rockets and batteries. It has been developed by the Company jointly with DRDO and has been customized for export.
2. **Ship to Shore Communication System:** The project is state-of-the art multi-layer IP based Wide Area Network (WAN) communication system, which has the capability of Satellite Communication on The Move (SOTM) for transportation of mission critical data, voice and video from ship to shore terminal in real time with reliability and security.
3. **Systems for Akash NG**: Multi-Function Radar, Command Control Unit subsystems including communication equipment and network for Akash-NG have been developed by the Company jointly with DRDO.
4. **Dip Brazed Chassis for Digital Flight Control Computer (DFCC)**: The chassis for DFCC has so far been imported. It has aircraft interface connectors (24 Nos.) mounted on front panel making assembly and disassembly of DFCC on/ from aircraft a laborious and time-consuming process. The new and indigenously designed chassis is 1 ATR chassis and has connectors on the rear panel for ease of assembly & disassembly on / from aircraft.
5. **Battlefield Surveillance System High Altitude Area (BSS HAA)**: BSS HAA is a mobile automated surveillance system capable of integrating inputs from all battlefield surveillance devices/sensors at division and corps level and processing them to confirm their veracity, prevent duplication, fusing them with other inputs and databases to produce a battlefield scenario to aid the commander in decision making. This version of BSS has been developed for operation in high altitude areas.

6. **CDMA Based Wireless Communication System**: CDMA based wireless communication link is a long-range wireless communication link for ground to air communication. The wireless communication link provides one-way uplink from ground based transmitter stations to airborne receiver systems. The communication link covers a range of 450 kms.

7. **Software Defined Radio (SDR)-TAC**: SDR-TAC is a multi-mode, multi-role & multi-channel Software Defined Radio with both voice & data operations to cater to communication need of network-centric warfare operations. This radio has been developed by the Company jointly with DRDO, is designed for both ship and shore deployments. It can be configured for different combinations of frequency bands as per the user requirements. It provides both narrowband and wideband point-to-point and networked communication.

8. **Missile Data Link Unit (MDLU) MK II**: MDLU MK II is an enhanced version of MDLU with enhanced range.

9. **R118 for Trainer Aircraft:** It is a Radar Warning Receiver (RWR) designed by DARE and manufactured by the Company originally for use on fighter aircraft. The original R118 has been customized for use on Trainer aircraft.

10. **Tethered Unmanned Aerial Vehicle:** A Tethered Unmanned Aerial Vehicle (TUAV) - 'PATANG' with EO sensor payload is used for day & night aerial surveillance purpose. Powered from ground, the system can provide 24X7 operations. TUAV can be hoisted to a height of 100m and the day/night camera can be controlled from Ground Control Station. This System is developed in partnership with academia.

11. **Hand Held Function Signal Generator**: It is a portable, fully programmable test device for Go - No Go testing of various types of RWR systems deployed in the field.

12. **Naval Airfield Integrated Security System (NAISS):** It is a system developed to strengthen the perimeter security of naval air stations. It includes an anti-climbing fence, drain detection intrusion systems, a CCTV network and under-vehicle surveillance.

13. **Integrated Perimeter Security System (IPSS):** It is a system developed for the IAF. It includes a smart fence, surveillance systems, thermal cameras, motion detectors and a central control and command center.

14. **Varunastra Acoustic System (VAS)**: Varunastra is a first indigenous heavy weight torpedo of India, designed by NSTL (DRDO Lab) and developed by BEL. It is ship's "fire and forget" type of weapon against submarines. VAS is the homing electronics for Torpedo.

15. **Bharani Mk-II Radar:** It is a compact, low level, lightweight solid-state 2D surveillance Radar. It has been designed and developed by the Company along with LRDE, DRDO. It has an integral IFF Mk XII with mode-S capability for identification of hostile aircrafts.

16. **IFF MK-XII(S) for RAN 40L:** Interrogator for Friend or Foe is designed for Indian navy. It has six different modes of operation and an instrumented range of 450Kms. It also has mono pulse capability.

17. **The Advanced Torpedo Decoy System (ATDS) Maareech**: This is a comprehensive system for defence against vintage and modern torpedoes on board ASW and non-ASW platforms. The ATDS system is designed by DRDO Labs and manufactured by BEL. The ATDS system consists of ATDS Sonar and ATDS FCS (Fire Control System).

18. **Indigenous Ku Band SOTM:** Satellite on The Move has a 3 Axis Stabilized Antenna System mounted on a vehicle to track the Satellite even when the vehicle is moving and providing high speed communication. It provides voice, video and data capabilities from aboard a moving vehicle. The system has built-in GPS & IMU to auto-point to chosen satellite with fine tuning aided by beacon tracking. It is mountable on various military & commercial vehicles.

19. **NFS Satellite Terminal:** NFS Satellite terminal is developed for the NFS Network. NFS is pan India network with Geo Redundant Hubs, Static and Suitcase based terminals. It acts as backup to NFS terrestrial network at about 164 locations whereas it is a primary medium of communication at 55 sites where NFS terrestrial connectivity is not available. NFS satellite terminal supports voice, video and data services.

20. **Indian Regional Navigation Satellite System (IRNSS) Receiver**, also known as NavIC (Navigation in Indian Constellation) has been designed and developed by the Company based on design inputs from ISRO. It provides navigational parameters (latitude, longitude and altitude) and timing information as output. The receiver has been developed to work in SPS (Standard Positioning Service) mode in the present version. The timing server is also designed using NavIC Receiver, which can be used to generate and disseminate accurate timing information to a network that needs to be synchronized.

21. **MWIR (Mid Wave Infra-Red) Sight for SHAR:** Indigenous MWIR sight has been developed for SHAR center/ISRO as replacement for an imported camera for tracking Satellite Launch Vehicle. The system is capable of producing clear IR signature of the Satellite Launch Vehicle up to range of 1200 Kms.

22. **Surveillance Remotely Operated Vehicle (SROV):** This Surveillance Robotic Platform is a miniature, tracked platform designed for carrying out surveillance covertly. It is developed based on design from Research & Development Establishment (Engineers), Pune. It can be deployed within buildings for carrying out surveillance during counter-terrorist or counter-insurgency operations. It is capable of providing video feedback in real time.

Future Plan of Action: BEL plans to continue investing in R&D for meeting the continuously emerging requirements of its customers as well as diversification. Collaborations with academia and national labs will be strengthened, while a major thrust would be for in-house developments in order to overcome the challenges of Lock-in for proprietary technologies. Artificial Intelligence, Cyber Security, IoT, Robotics, Drones & their payloads and various EW technologies will continue to be the focus of the Company. These technologies will be adapted in products and solutions being developed across the Company. In addition, SoC based products, EV battery developments, e-Governance projects and several other developments will be undertaken.

New Facilities Established

In our endeavour to maintain the infrastructure on par with International Standards, specific groups in all Units/SBUs continuously scan technology changes across the global market that are taking place and identify new processes for acquisition. During the year 2019-20, Company has spent ₹ 51,297 Lakhs as part of CAPEX investment towards modernization of plant & machinery, test instruments, R&D investments, infrastructure up-gradation etc.

Following are some of the major facilities established during the year:

- Product Development & Innovation Centre (PD&IC) inaugurated by Hon'ble Raksha Mantri at Bengaluru Unit.
- New State-of-the-art manufacturing facility for Composite Material, Environmental Testing & Finishing inaugurated by Hon'ble Raksha Rajya Mantri at Navi Mumbai Unit.
- New Production Building at BEL, Hyderabad Unit.
- Secure Triple Play Services at BEL, Bengaluru Unit.
- 2100 Litre Climatic Chamber with 60 TR Chillers at BEL Kotdwara Unit.

SAP Implementation and other IT Initiatives:

In SAP various new processes have been introduced for the automation of employee related services. OYO hotels booking to payment and OLA booking to payment process have been integrated with SAP. Comprehensive Cyber Crisis Management Plan (CCMP) for BEL has been implemented in line with the guidelines of CERT-in and covering people, processes and technology issues. The CCMP outlines a framework for dealing with cyber related incidents for a co-ordinated, multi-disciplinary and broad based approach for rapid identification, information exchange, swift response and remedial actions to mitigate and recover from malicious cyber related incidents impacting critical national processes.

As part of the CCMP, Centralized Internet Gateway and Security Operations Centre (SOC) for monitoring traffic on internet infrastructure. The setup includes next generation firewalls including intrusion prevention system, network data leakage prevention, anti- advanced persistent threat. Security Information and Event Management (SIEM) has been implemented for incident monitoring, alerting, tracking, response and closure.

For centralized management and monitoring of network assets of all units, Network Monitoring & Management System (NMS) tool has been deployed centrally at IS department for WAN and LAN. The tool provides Centralized topology for all units in a single dashboard for easy troubleshooting of network outages, periodical backup of critical devices, regular health checks, proactive monitoring and historical reporting.

Quality

Quality, Technology and Innovation are three guiding pillars of BEL's business initiatives. Quality, being the first pillar, has been one of the focus areas for the Company. Quality initiatives have been taken up for improvement in performance related to Product Design, On-time-Delivery, Process Cycle Times, Statistical Process Control (SPC), Quality Control, Customer Service etc.

The Company is committed for improvement of its activities through process approach in line with World-Class Quality Systems. All Units / Strategic Business Units (SBUs) / Common Services Groups (CSGs) are accredited to ISO 9001 Quality Management System (QMS). Thirteen Units / SBUs of the Company have upgraded their QMS to Aerospace Standard, AS 9100D. All Units of the Company are committed to Environment Management System through ISO 14001 Certification. Ghaziabad Unit is upgraded its OHSAS from ISO 18001 to ISO 45001. Seven Units/SBUs/ Divisions of the Company are certified for Information Security Management System ISMS ISO 27001.

Test Equipments Calibration and Maintenance departments of Bangalore Complex, Ghaziabad and Panchkula Units are certified by National Accreditation Board for Testing and Calibration Laboratories (NABL) in accordance with ISO / IEC 17025 Standard. BEL Software Technology Centre at Bangalore Complex is CMMi level 5 certified. D&E-Network Centric System and CRL-Ghaziabad, Chennai, Hyderabad Units are certified for CMMi level 3.

EFQM (European Foundation of Quality Management) Model for Business Excellence is being followed in BEL since 2002. During 2019-20, Ghaziabad and Hyderabad Units received CII Exim Platinum Awards based on EFQM Model.

Continual improvements in products and processes are being brought out through various approaches, one such approach is 'Six Sigma Methodology'. Junior and Middle level executives select Sig Sigma projects from different areas of concern related to products and processes to bring about improvements.

During the year, 24 senior executives from various units have been trained for Six Sigma Black Belt by Indian Statistical Institute, Bengaluru. These Black Belts guide other Green Belt executives in their Six Sigma Projects. Total 495 Six Sigma Projects have been completed during the year 2019-20. Out of 31 Six Sigma projects nominated for Regional/National level competitions, 15 projects received regional level awards and 16 projects received national level championships awards.

The Company has facilitated involvement of Non-executives in the Quality Movement through Quality Control Circles (QCC). During the year 2019-20, 761 QCC Presentations were made by various QCCs. Many QCC circles were nominated to participate in national competitions and all were adjudged for various categories of Awards. One QCC Team URJA from Navy Mumbai Unit of the Company, represented the Company in the International Convention ICQCC 2019, held at Tokyo, Japan and won the "Gold Award".

Another approach for Quality Improvement is through Suggestion Scheme, wherein employees from Non executives to Managers provide suggestions for which they are suitably rewarded on implementation of their suggestions. Around 4244 suggestions were awarded in the year 2019-20. Selected BEL employees participated at 30th National Convention conducted by Indian National Suggestion Schemes Association (INSSAN). During the year, Bangalore Complex has received 1st Prize under Engineering Industry Category in "Excellence in Suggestion Scheme contest: 2018-19" organised by INSSAN.

The Company has nominated D&E Engineers for Global Certification on Reliability "Certified Reliability Engineer (CRE)" by American Society for Quality (ASQ). During the year, 35 D&E Engineers have been certified for CRE. The Company has also nominated D&E Engineers for Design for Six Sigma Green Belt (DFSS-GB) Certification by Indian Statistical Institute. During the year 59 D&E Engineers have been certified as "DFSS Green Belts".

During the year, 43 operating level Quality Engineers in various SBUs / Units have been certified as "Certified

Quality Engineers (CQE)" by ASQ. Certified Manager for Quality and Organisation Excellence (CMQ&OE) by ASQ for Senior level executives, has also been conducted 13 Senior executives have been certified.

Quality Recognition Award (QRA) is awarded for best performing Unit/SBU in 7 key business processes. Panchkula Unit, MR SBU, and EW&A SBU, received 1st, 2nd and 3rd awards respectively.

In order to inculcate a culture of Project Management, training programs for Project Management Professionals (PMP) were conducted. During the year 65 PMPs have been certified by Project Management Institute (PMI).

This year, the Company has finalized Integrated Customer satisfaction survey process for capturing holistic perceptions of customers right from ordering agencies through execution till the end users with PDCA approach. Export Product Quality Audit process is institutionalized and Audit Manual is released. SAP module is developed and implemented for conducting internal audits for QMS, EMS, ISMS and OHSAS.

Human Resources

Your Company employed 9,279 persons as on 31 March 2020 as compared to 9,612 persons as on 31 March 2019. Out of these employees, 4,973 were engineers / scientists and 1,991 were women employees as on 31 March 2020. A total of 29 employees were inducted during the year. 3 employees belonging to SC, 1 employees belonging to ST, 6 employees belonging to OBC and 4 employees belonging to the minority community were recruited during the year.

Your Company has been complying with the Government directives on reservation. The particulars of SC/ST and other categories of employees as on 31 March 2020 are as under:

Category of Employees	Executives		Non-Executives	
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
Scheduled Caste	1,035	28	566	33
Scheduled Tribe	349	12	132	21
OBC	1,297	37	791	37
Ex-Servicemen	87	1	261	50
Physically Challenged	94	5	115	2

Various Training programs were conducted during the year to enhance competencies in Technical, Functional, Managerial and Leadership areas. Structured Executive Development Programs were conducted regularly with premier institutes to meet the evolving training needs of executives as they progress through various grades. A detailed write up on HR initiatives during the year is provided separately in the Management Discussion and Analysis Report which forms part of this report.

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

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of Sexual Harassment of Woman at Workplace (Prevention, prohibition and Redressal) Act, 2013 and Rules framed there under, the Company has implemented the policy on prevention, prohibition and redressal of sexual harassment at the workplace, which has been uploaded on the Company's intranet portal. All women, permanent, temporary or contractual including those of the service providers are covered under the Policy.

An Internal Complaints Committee has been constituted in each of the nine constituent units including Corporate Office to redress complaints relating to sexual harassment. Awareness programs were conducted across the Company to sensitize the employees and uphold dignity of their colleagues at workplace, particularly with respect to prevention of sexual harassment. The details of complaints filed, disposed of and pending during the year pertaining to sexual harassment are provided in the Business Responsibility Report which forms part of this report.

Awards and Accolades

Your Company continues to be a highly trusted organisation for its product quality and innovation based on strong consumer insights and the ability to engage with consumers across the country. During the year, your Company has received following various Awards and accolades:

- Jamnalal Bajaj Fair Business Practices Award.
- India's Best PSU Award 2018 by Dalal Street Investment Journal.

- Digital India Award 2019.
- Karnataka State Export Excellence Award.
- ICC PSE Excellence Awards for R&D, Operational Performance & HR.
- IPC First India Award.
- Platinum Level recognition for Ghaziabad & Hyderabad Units in CII EXIM Bank Business Excellence Awards.
- Aerospace & Defence Awards for 'Excellence in Exports & CSR'.
- Governance Now' Awards for Research & Innovation.

Other Significant Achievements During the Year

- The Company has achieved highest ever turnover of ₹ 12,608 Crores during the financial year 2019-20 despite the on-going crisis due to COVID-19 Pandemic.
- BEL has achieved an Export turnover of USD 48.59 Million [Major items: Weapon Locating Radar (WLR)-Armenia, Compact Multi-Purpose Advanced Stabilization System (CoMPASS), Electro-Mechanical parts, Radar Finger Printing System (RFPS) etc.].
- ₹ 13,500 Crores worth orders received [Major orders include Akash, Coastal Surveillance Ph-II, Samyukta Upgrade, Software Defined Radio-Naval Configuration (SDR-NC), Coastal Surveillance System (CSS)-Myanmar, Product Support & AMC for Surveillance Radar Element (SRE), Rohini etc.].
- Strategic partnership with Global players like LIG NEX1 (Korea), Lockheed Martin (USA), Elbit (Israel) in the international segment.
- Strategic partnership with ISRO, IIT Madras, RailTel, Tamil Nadu Industrial Explosives Ltd., Tejas Networks, Tech Mahindra etc., in the domestic segment towards development of various technologies/products.
- Commissioned a 2MW Solar Power Plant at Ordnance Factory, Muradnagar (UP).

Subsidiaries, Joint Ventures and Associates

BEL Optronic Devices Limited (BELOP), engaged in the business of manufacturing of Image Intensifier Tubes, is a wholly owned subsidiary of BEL. Your Company has made further investment of ₹ 2,832.69 Lakhs (11,65,716 equity shares of ₹ 100/- each at a premium of ₹ 143/- per share) during the year by subscribing to right issue for equity shares made by BELOP. BELOP achieved a turnover of ₹ 3,721 Lakhs for the year as compared to ₹ 10,325 Lakhs in the previous year. The profit after tax (PAT) for the year was ₹ 301 Lakhs as compared to ₹ 1,418 Lakhs in the previous year.

BEL-THALES Systems Limited (BTSL), a subsidiary, was formed for design, development, marketing, supply and support of civilian and select defence radars for Indian and Global markets. Your Company holds 74% of the equity capital in BTSL. During the year BTSL has recorded a turnover of ₹ 4,056 Lakhs as compared to ₹ 672 lakhs in the previous year. The profit after tax (PAT) for the year was ₹ 334 Lakhs as compared to ₹ 104 Lakhs in the previous year.

The Associate Company GE BE Private Limited [26% shareholding by BEL] continues to perform well. This Company manufactures CT Max and other latest version X-Ray Tubes. GE BE Pvt. Ltd. recorded a turnover of ₹ 1,17,685 Lakhs for the year as compared to ₹ 105,851 Lakhs in the previous year. The profit after tax (PAT) was ₹ 12,369 Lakhs for the year as compared to ₹ 14,862 Lakhs in the previous year.

Defence Innovation Organization (DIO), is a 'Not for Profit' Company as per the provisions of Section - 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1 Crore. The equity participation is 50% from BEL and 50% from HAL. The Company has been formed with an objective of funding innovation in defence sector.

In pursuant to provisions of section 129(3) of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014, the statement containing salient features of the financials statement of Subsidiaries/ Associate/ Joint Ventures is attached to the Financial Statements.

Further, pursuant to the provisions of Section 136 of the the Companies Act, 2013 the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.bel-india.in.

Consolidated Financial Statements

Consolidated Financial Statements of your Company and its Subsidiaries and Associate Companies are attached to this Report.

Vigilance

The Company's Vigilance Department is headed by a Chief Vigilance Officer (CVO), an IAS Officer from Haryana cadre (1991 batch). Permanent Vigilance Officers were posted in each of the Units and SBUs. Vigilance Committees were formed in the each of the Units to look after the vigilance administration in the Units and SBUs and the Unit/SBU heads are also designated as Chairman of the Vigilance Committee. Apart from this, there is a Vigilance Committee at the Corporate Office, where Chairman and Managing Director is the Chairman of the Committee and the CVO is the Member Secretary. Preventive Vigilance has been the thrust area of the Vigilance Department and the same received focused attention during the current year. The Vigilance Department examines procurement/sub-contract contracts and processes on continual basis, conducts regular and surprise inspections and investigates instances of any suspected transactions referred to it. An employee or third parties can refer any suspected transaction to the notice of CVO for investigations which are examined as per the Complaint Handling Policy of the Company. Online complaint management system has been made operational and online complaints can be filed through accessing the Vigilance Portal in Company's website www.bel-india.in.

During the year, 1,417 high value Purchase Orders/ Contracts have been reviewed. CTE Type intensive examination has been restructured with the formation of five IE teams. CTE Type of Intensive Examination of 61 high value procurements contracts has been taken up. Regular and surprise checks and inspections have also been conducted by the field Vigilance Officers. During the year, 30 Complaints including Complaints referred by CVC/ MOD/CBI were received. A total of 37 complaints including 5 complaints referred by CVC/MOD/CBI were disposed. Disciplinary action and system / process improvement has been recommended in some cases where lapses were observed. 2 Complaints are pending with CBI, Ghaziabad and 1 complaint is pending with CBI, Bengaluru for detailed investigation.

During the year, 896 Executives and 254 Non-executives were given basic awareness program on Vigilance. 79 Executives & 34 Non-executives working in sensitive areas for more than 3 years have been job rotated and the percentage coverage is 80.7%.

Vigilance department is continued to be certified for ISO 9001/2015 certification for the vigilance function of the Company.

In line with the CVC's Guidelines on Leveraging Technology and to ensure transparency through effective use of technology the following functions have been made operational through SAP and the Company's website www.bel-india.in:

- E Procurement - about 93% of the procurements excluding the ToT procurement, long term rate contracts and repeat orders, were covered under e-procurement mode.
- Online registration of vendors.
- Vendor Payment Information System.
- E Payment/Bank transfer of payment to vendors.
- Details of awarded contracts / Purchase Orders valuing more than ₹ 10 Lakhs in respect of works contracts, service contracts, capital items and non-production items have been posted in the website.
- Details of awarded contracts/purchase orders issued on nomination / single tender basis value exceeding ₹ 5 Lakhs have been posted in the website.
- Purchase Procedures and Works Contract Manual have been revised and were posted in the website.
- Complaint Handling Policy and Whistle Blower Policy are posted in the website.
- Corruption Risk Management Policy is framed and implemented across the Company for implementation. The same is posted in the website.
- Vendors' Directory, after flagging removing defunct vendors, have been posted in the Company's website.
- File Life Cycle Management System (FLM) has been implemented across the Company and the coverage is about 99% of the total files generated in the Company.

- Online filing of APRs is facilitated in SAP for all the executives and the executives have been filing the APRs in SAP.
- Vigilance monthly and quarterly reports are generated through SAP.
- Vigilance clearance is accorded through the dedicated Vigilance portal in SAP.

Vigilance setup in the Company has been continuously endeavouring to bring transparency, fairness and equity in all transactions and processes of the Company through creating a sense of awareness on system and procedures through awareness campaign and training program. Some of the key activities that have been carried out during the year are:

1) Vigilance Awareness Week 2019 was conducted during October/November 2019. The observance of the Week was marked with special address by eminent personalities. Gram Sabha was organized as part of the outreach activities in Tyamgondlu Village, Bengaluru District. Skit plays and video films portraying national integration and anti corruption messages were shown to school and college students located near the location of BEL Factories. Similar anti corruption awareness program in the form of skit plays and inspirational video films were arranged for the school students of BEL's Educational Institutions. Integrity Pledge was administered to school and college students during the occasion. Walkathon and cycle rally by BEL school children, human chain by the Company's employees, Vigilance Walk by employees of Bengaluru based PSUs, PSBs and series of lecture by distinguished personalities and competitions were organized as part of the observance of the Vigilance Awareness Week.

2) E Pledge, an initiative of the Commission was facilitated in BEL-Intranet, apart from the facility of taking the e-pledge in the CVC website.

Integrity Pact

One of the initiatives of the Central Vigilance Commission (CVC) to eradicate corruption in procurement activity is introduction of the Integrity Pact in large value contracts with Government Organizations. In line with the directives from Ministry of Defence and the Central Vigilance Commission, your Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 300 Lakhs and above.

The Integrity Pact essentially envisages an agreement between the prospective vendors / bidders and the principal (BEL), committing the persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

As recommended by the CVC, the Company has appointed Mr Girish Chandra Chaturvedi, IAS (Retd.) and Mr Suresh N Patel (resigned in February 2020) for monitoring implementation of Integrity Pact in the Company. During the financial year 2019-20 the Independent External Monitors (IEMs) reviewed 371 contracts and held structured meetings with the Chairman & Managing Director.

Procurement from Micro & Small Enterprises (MSEs)

Your Company has been providing increased thrust on enhancing procurement from Micro & Small Enterprises (MSEs) and is implementing Public Procurement Policy for MSEs as per the guidelines/notification issued by the Ministry of MSMEs. During the year 2019-20, the Company has complied with the mandate of Government's Public Procurement Policy for MSEs.

The Company has on-boarded on TReDS Platform, Government e-marketplace (GeM), MSME Sambandh, MSME Samadhaan Portals complying with Government Guidelines.

The Company actively participated in various Vendor Development Programs held across the country including Defence Exhibition Organisation (Defexpo.) BEL showcased various items for indigenization for domestic vendors including MSEs.

Implementation of Official Language Policy

Your Company is committed to adhere to the Official Language (OL) policy of the Government of India (GoI). During 2019-20, the company has achieved the various targets prescribed in the Annual Program 2019-20 issued by Dept. of OL, Ministry of Home Affairs (MHA), GoI to transact official work in Hindi. The efforts made towards implementation of Official Languages include:

OL Inspections: Committee of Parliament on Official Language conducted OL inspection of Ghaziabad Unit on 10.01.2020 and Corporate Office on 26.02.2020. MoD officials conducted OL inspections of 04 Units and Corporate OL audit team conducted 06 OL inspections of Units/Offices.

Bilingualisation: All Units and Offices of the Company including Corporate Office are issuing documents in bilingual as per the Section 3(3) of Official Language Act, 1963. Usage of Hindi is being encouraged in correspondence and on computers. Individual orders under OL Rule 10 (4) were issued by CMD to officers/employees who are having proficiency in Hindi to do their complete work in Hindi. Also, a circular on creation of check points under Rule 12(1) of OL Rules was issued.

Computerisation and Website: Updated information pertaining to OL is being communicated through OL Portal GARIMA introduced by OL Dept. of Corporate Office. Quarterly progress reports from Units/Offices are being received online through SAP. Hindi notings are being written in File Life-cycle Management (FLM). Company's website is also available in Hindi.

Training and Reporting: Roster is maintained for Hindi language training and computer training which is updated from time to time. As per the roster, employees are imparted training. Quarterly/half yearly reports are sent to OL Dept., MHA, GoI, MoD, Hindi teaching scheme and Town Official Language Implementation Committee (TOLIC) as per schedule.

Hindi Month Celebrations: Hindi Month and Hindi Day was observed during September month in all the Units and Offices of the Company. During the month, employees of the Company participated enthusiastically in various programs / competitions.

Meetings/Workshops: Official Language Implementation Committee (OLIC) meetings, Hindi workshops and technical talks in Hindi were conducted in all Units / Offices on quarterly basis.

Incentives and Awards: Incentive Schemes are propagated among all employees and number of employees who took part in these schemes were awarded with cash prize. Employees have participated in the TOLIC competitions and won prizes.

Publications: Hindi journals/maganizes are being published in Units/Corporate Office of the Company to propagate usage of Hindi.

New Initiatives: Corporate OL has initiated to compile BEL specific Defence Electronic Terminology in co-ordination with Commission for Scientific and Technical Terminology (CSTT)/ MHRD, New Delhi and its first meeting was conducted from 13 to 17 January, 2020 at Ghaziabad. A dedicated section for OL is being introduced in the Company's website. Hindi books are being provided to local school students from our library.

Efforts are in progress to ensure OL implementation and achieving progressive usage of Hindi across the Company.

Implementation of Right to Information Act, 2005

In consonance with the provisions of the Right to Information Act, 2005 (the RTI Act), your Company has well-defined mechanism in place to address the provisions of the RTI Act. Your Company has a designated General Manager level officer as a "Nodal Officer" to oversee the implementation. The requests received are processed by 14 senior personnel designated as "Central Public Information Officers (CPIOs)" including one at Corporate Office and each at the Units/Regional Offices of the Company. The Company has a designated General Manager level officer as a "First Appellate Authority" (FAA) to dispose of first appeals filed under the RTI Act. In compliance to Government directives, the Company is successfully processing the applications under the RTI Act, online.

The information to be provided as per Section 4(1) (b) of the RTI Act has been posted on the website of company www.bel-india.in.

The FAA, CPIOs and other internal stakeholders involved are sensitized about their obligations under the Act through training and workshops.

The Company received 345 applications (including 59 transferred by other Public Authorities to BEL) during the period from April 2019 to March 2020, and 15 RTI applications were carried forward from the year 2018-19. A total of 350 applications were responded to including 40 applications that were rejected, out of a total of 360 applications. Your Company received 107 First Appeals during the period, out of which 106 were disposed-off. Quarterly RTI returns for all the four (4) quarters have been submitted to the Central Information Commission.

Board Meetings, Change in Directors & Key Managerial Personnel and their Shareholding

During the year eight Board meetings were held, the details of which form part of the Corporate Governance Report.

Following changes took place in the Directorate and Key Managerial Personnel of your Company during the year 2019-20:

Sl. No.	Name of the Director(s)/ KMPs	Designation	Date of Appoint-ment	Date of Cessation
1	Mr R N Bagdalkar	Director (Human Resources)	Not Applicable	31.05.2019
2	Mr Shivakumaran K M	Director (Human Resources)	11. 06.2019	Not Applicable
3	Mr Sunil Kumar Kohli	Independent Director	18.07.2019	Not Applicable
4	Mr Nataraj Krishnappa	Director (Other Units)	Not Applicable	30.11.2019
5	Mrs Shikha Gupta	Director (Other Units)	01.12.2019	Not Applicable
6	Dr Bhaskar Ramamurthi	Independent Director	Not Applicable	01.12.2019
7	Dr R K Shevgaonkar	Independent Director	Not Applicable	01.12.2019
8	Mrs Usha Mathur	Independent Director	Not Applicable	22.12.2019
9	Mr Sharad Shyam Sanghi	Independent Director	Not Applicable	06.01.2020

During the year 2019-20, there was no change in the Key Managerial Personnel (KMP) of the Company.

Mr M V Gowtama, Chairman & Managing Director, Mr Koshy Alexander, Director (Finance) and Chief Financial Officer and Mr S Sreenivas, Company Secretary are the KMPs, as defined under the Section 2(51) of the Companies Act, 2013.

Mrs Shikha Gupta, Director (Other Units) was appointed as Additional Director w.e.f 1 December 2019 in place of Mr Nataraj Krishnappa who retired from his services on 30 November 2019 on attaining the age of superannuation. Mr Dinesh Kumar Batra, Director (Finance) & CFO was appointed as Additional Director w.e.f 1 August 2020 in place of Mr Koshy Alexander who retired from his services on 31 July 2020 on attaining the age of superannuation. Mr M V Rajasekhar, Director (R&D) was appointed as Additional Director w.e.f 1 September 2020 in place of Mr Mahesh V who retired from his services on 31 August 2020 on attaining the age of superannuation.

Mrs Shikha Gupta, Mr Dinesh Kumar Batra and Mr M V Rajasekhar, Additional Directors are being appointed as Directors on terms as set-out in the Notice of the 66th Annual General Meeting.

Mrs. Anandi Ramalingam, Director (Marketing), retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The details of Directors and Key Managerial Personnel who are holding shares in the Company as on 31 March 2020 are given below:

Sl. No.	Name	Designation	No. of Equity Shares Held
1	Mr M V Gowtama	Chairman and Managing Director	1,263
2	Mrs Anandi Ramalingam	Director (Marketing)	1,263
3	Mr Koshy Alexander	Director (Finance)	1,265
4	Mr Mahesh V	Director (R&D)	1,265

Sl. No.	Name	Designation	No. of Equity Shares Held
5	Mr Vinay Kumar Katyal	Director (Bangalore Complex)	1,263
6	Mr Shivakumaran K M	Director (HR)	1,263
7	Mr S Sreenivas	Company Secretary	1,263

The Company has not issued any convertible securities during the year.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors in terms of Sections 134(3)(c) & 134(5) of the Companies Act, 2013 state that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) 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 as at 31 March 2020 and of the profit of the Company for the year ended 31 March 2020;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) proper internal financial controls were in place and such internal financial controls were adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and same were adequate and operating effectively.

Significant and Material Orders

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

Events Subsequent to the Date of Financial Statements

There are no material changes and commitments affecting the financial position of the Company which have occurred between 31 March 2020 and date of signing of this Report.

Related Party Transactions

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. Transactions with related parties that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and also to the Board for approval, if required. Members may refer to the notes to the accounts for details of related party transactions. The policy for related party transaction has been uploaded on the Company's website www.bel-india.in. 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-1**".

Corporate Social Responsibility

Your Company has formulated a Corporate Social Responsibility (CSR) & Sustainability Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications, amendments issued by Ministry of Corporate Affairs (MCA) & Department of Public Enterprises (DPE). The CSR Programmes / Initiatives / Projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which is duly incorporated in the CSR & Sustainability Policy and forms the guiding principle for all our programmes. The CSR & Sustainability Policy of BEL is posted on the Company's website www.bel-india.in.

The objective of CSR is to contribute towards inclusive growth, sustained and equitable development in society through capacity building measures, empowerment of the marginalised and underprivileged sections/communities. Focused interventions are undertaken in the sectors of School Education, Healthcare, Rural Development, Environmental Sustainability & Vocational Skill Development.

During the year 2019-20, DPE Guidelines for CSR Expenditure stipulate CPSEs to take up focussed CSR interventions on the common theme of School Education, Healthcare and Nutrition with preference being given to Aspirational Districts identified by NITI Aayog. Accordingly, around 53.49% of the CSR budget has been allocated for thematic CSR programmes. Further, CSR project that imparts technical & employability skill training to rural youth is being implemented under Skill India.

Pursuant to the requirement under the Companies (Corporate Social Responsibility) Rules, 2014, as amended, a report on CSR activities for the financial year 2019-20 is annexed herewith as **"Annexure-2".**

Statutory Auditors

Pursuant to Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) for the financial year 2019-20 appointed M/s SURI & CO., Chartered Accountants, Bengaluru, as Statutory Auditors of the Company for audit of accounts of Bangalore Complex, Hyderabad Unit, Chennai Unit and Corporate Office. M/s Tambi & Jaipurkar, Chartered Accountants, Pune were appointed as Branch Auditors of Pune & Navi Mumbai Units. M/s J P Kapur & Uberai, Chartered Accountants, New Delhi, were appointed as Branch Auditors of Ghaziabad, Panchkula and Kotdwara Units. M/s Tungala & Co., Chartered Accountants, Machilipatnam were appointed as Branch Auditors for Machilipatnam Unit.

Cost Auditors

Your Company appointed M/s GNV & Associates, Cost Accountants, Bengaluru, as Cost Auditors of the Company for the financial year 2019-20 for conducting the audit of cost records of the Company. The Company maintains Cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, in respect of its manufacturing activities.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), the Company has appointed M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries for the financial year 2019-20 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as **"Annexure-3"**.

The Secretarial Auditor in his Report observed that the Company is yet to appoint the adequate number of Independent Directors including one Woman Independent Director as per the requirements of the SEBI (LODR) Regulations, 2015. It is informed that the appointment of Directors is done by Govt. of India and filling up of vacancies of the said Independent Directors is also pending with the appointing authority namely Government of India.

Auditors' Report

The Statutory Auditors' Report on financial statements for the financial year 2019-20 is appended to annual report. The Comments of the Comptroller & Auditor General of India (C&AG) under section 143(6)(b) of the Companies Act, 2013 on the financial statement including consolidated financial statement along with Management replies on the comments of C&AG are appended at page no. 98 & 193 to the annual report.

Reporting of Frauds by Auditors

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

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of the annual return in the form MGT-9 is annexed to this report as **"Annexure-4"**.

Risk Management

Pursuant to the Reg. 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management

Committee. The details of Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report and a detailed note on Risk Management is provided in the Management Discussion and Analysis Report, which forms part of this report.

Remuneration Policy & Board Evaluation

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration, Board Evaluation etc. The details are set out in the Corporate Governance Report, which forms part of this report.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud, mismanagement and unethical behaviour, if any. The details of the policy are set out in the Corporate Governance Report.

Declaration from Independent Directors

The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 and regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company meet with the criteria of their Independence laid down in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Management Discussion and Analysis Report

Management Discussion and Analysis Report required under the SEBI (LODR) Regulations, 2015 and also under the Government (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) is attached to this Report as **"Annexure-5"**.

Particulars of Loans, Guarantees & Investments

In terms of Circular No. GSR 463(E) dated 5 June 2015 issued by Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempt from Section 186 of Companies Act, 2013.

Particulars of Employees and Related Disclosures

The provisions of Section 197 of the Companies Act and the relevant Rules regarding particulars of employees drawing remuneration in excess of the limits specified are exempted for Government Company, in view of the Gazette Notification No. GSR 463 (E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. A detailed note on Internal Financial Controls is provided in the Management Discussion and Analysis Report, which forms part of this report.

Composition of Audit Committee

The Audit Committee comprises of Independent Directors viz., Mr Mukka Harish Babu, Chairman of the Committee, Mr Surendra Singh Sirohi and Mr Sunil Kumar Kohli as its Members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Corporate Governance Report

DPE Guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the Guidelines. DPE has graded BEL as "Excellent" for the year 2018-19. In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines, a Report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached to this report as **"Annexure-6"**.

Sustainability Report

The DPE Guidelines on Sustainable Development for CPSEs mandates CPSEs to disclose their Sustainable Development efforts in a 'Standalone Report' or as a separate chapter in the Annual Report. Pursuant to this requirement, a Report on your Company's efforts on "Sustainable Development" is attached to this Report as "**Annexure-7".**

Business Responsibility Report

SEBI (LODR) Regulations, 2015 has mandated inclusion of Business Responsibility Report ("BR Report") as part of the Annual Reports for the top 1000 listed entities based on market capitalization. In terms of Regulation 34(2)(f) of Listing Regulations, a Business Responsibility Report (BRR) for the year 2019-20 describing the initiatives taken

by the Company on environmental, social and governance perspective, in the format as specified by SEBI from time to time is attached to this report as **"Annexure-8"**.

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

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

Acknowledgement

Your Directors place on record their deep appreciation and gratitude for the valuable support received from all the customers, particularly the Defence Services & the para-military forces and look forward for their continued support and co-operation in future. Your Directors also place on record their gratitude for the support received from various Ministries of the Government of India, especially the Ministry of Defence, Department of Defence Production. Your Directors express their gratitude to the Defence Research and Development Organisation (DRDO) and the various Research Laboratories under DRDO, particularly in the joint development programmes and new products. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditors, Cost Auditors, Secretarial Auditors, Company's Bankers, Collaborators and Vendors. Your Directors appreciate the sincere efforts put in by the employees at all levels, which enabled the Company to achieve the good performance during the year. Your Directors express their appreciation and gratitude to all the shareholders/ investors for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board

Bengaluru
7 September 2020

M V Gowtama
Chairman & Managing Director

Annexure-1

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/agreements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis
   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
   (f) Date(s) of approval by the Board: Not Applicable
   (g) Amount paid as advances, if any: Not Applicable
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis
   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Date(s) of approval by the Board: Not Applicable
   (f) Amount paid as advances, if any: None

For and on behalf of the Board

Bengaluru
7 September 2020

M V Gowtama
Chairman & Managing Director

Annexure - 2

REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

   The Company's CSR Policy has been uploaded in the website of the Company under the web-link: http://www.bel-india.in/ContentPage.aspx?MId=17&CId=527&LId=1&link=527

2. **The Composition of the CSR Committee as on 31 March 2020:**

   Mr. M V Gowtama, Chairman & Managing Director, Chairman

   Mr. Koshy Alexander, Director (Finance), Member

   Mr. Shivakumaran K M, Director (Human Resources), Member

   Mrs. Shikha Gupta, Director (Other Units), Member

   Mr. Surendra S Sirohi (Independent Director), Member

   Mr. Mukka Harish Babu (Independent Director), Member

3. **Average net profit of the Company for last three financial years:** ₹ 2,15,517.85 Lakhs.

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):** ₹ 4,310.36 Lakhs.

5. **Details of CSR spent during the financial year 2019-20:**

   a. Total amount spent for the financial year; ₹ 3,116.96 Lakhs

   b. Amount unspent , if any; ₹ 1,193.40 Lakhs (carried forward)*

   c. Manner in which the amount spent in respect of projects taken up during the financial year 2019-20 is detailed below:

   * In line with DPE guidelines, provision has been made in the books for the amount yet to be spent against the respective projects.

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Project or Programs (1) Local Area or Other (2) Specify the State in which projects or programs was undertaken**	**Amount outlay (budget) Project or Programs wise**	**Amount Spent on the projects or programs Sub-heads:**		**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
					(1) Direct expenditure on projects or programs	**(2) Overheads**		
1	Contribution to PM CARES Fund **Status: Completed**	Healthcare	Other: New Delhi	1,000.00	1,000.00	-	1,000.00	Direct

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Project or Programs (1) Local Area or Other (2) Specify the State in which projects or programs was undertaken**	**Amount outlay (budget) Project or Programs wise**	**Amount Spent on the projects or programs Sub-heads:**		**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
					(1) Direct expenditure on projects or programs	**(2) Overheads**		
2	Augmentation of infrastructure in Govt. Schools across 5 States **Status: Ongoing**	School Education	Local: Kotdwara-Uttarakhand, Panchkula-Haryana, Chennai-Tamil Nadu, Bengaluru-Karnataka Other: Shimoga, Mudhol & Sompura in Karnataka; Mehaboobnagar, Telangana	1,151.86	280.17	-	280.17	Direct
3	(i) Inclusive & Sustainable Development of Siaha district. (ii) Provision of vehicles for distribution of food to School children, Vrindavan iii) Construction of Drainage at Malayappanpet **Status: Ongoing**	School Education, Healthcare & Nutrition	Other: Siaha District-Mizoram, Vrindavan-Uttar Pradesh Local: Machilipatnam, Andhra Pradesh	153.71	29.90	-	29.90	Direct
4	Training of Apprentices under Skill India **Status: Completed**	Vocational Skill Develop-ment	Local: Bengaluru-Karnataka, Chennai-TN, Hyderabad-Telangana, Machilipatnam-AP, Pune & Navi Mumbai-Maharashtra, Ghaziabad-UP, Panchkula-Haryana, Kotdwara-Uttarakhand	1,581.64	1,581.64	-	1,581.64	Direct
5	(i) Inclusive & Sustainable Development of Puching Village (ii) Construction of community halls in 5 villages of Dhule **Status: Ongoing**	Rural Develop-ment	Others: Tamenglong District-Manipur, Dhule District-Maharashtra	99.01	0.00	-	0.00	Direct
6	Rejuvenation of Lake **Status: Ongoing**	Environ-mental Sustain-ability	Local: Bengaluru-Karnataka	98.89	0.00	-	0.00	Direct

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Project or Programs (1) Local Area or Other (2) Specify the State in which projects or programs was undertaken**	**Amount outlay (budget) Project or Programs wise**	**Amount Spent on the projects or programs Sub-heads:**		**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
					(1) Direct expenditure on projects or programs	**(2) Overheads**		
7	Contribution to Armed Forces Flag Day Fund **Status: Completed**	Measures for benefit of Armed Forces veterans	Other: New Delhi	20.00	20.00	-	20.00	Direct
8	CSR Administrative Overheads **Status: Completed**	-	-	205.25	-	205.25	205.25	-
	Total			**4,310.36**	**2,911.71**	**205.25**	**3,116.96**	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

In order to have a long term social impact through CSR, the Company has taken up several initiatives in project mode with project duration of more than one year and milestone based payments spread across more than one fiscal year. This is also in line with DPE guidelines on CSR which mandates CPSE's to carry out CSR programs in a project mode across more than one financial year.

Against carried forward amount of ₹ 4,216.96 Lakhs of earlier financial years upto 2018-19 (earmarked against specific CSR projects), an amount of ₹ 1,924.87 Lakhs has been spent in the financial year 2019-20. The balance amount is expected to be spent progressively over the next two years.

7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Bengaluru
7 September 2020

M V Gowtama
Chairman & Managing Director

Annexure-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

To

The Members
BHARAT ELECTRONICS LIMITED
OUTER RING ROAD
NAGAVARA, BANGALORE- 560045, KARNATAKA

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31 March 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014; (Not applicable during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable during the audit period) and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (Not applicable during the audit period).

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

(i) *The Board has total 13 Directors consisting of a Chairman who is regular Executive Director (Managing Director), other six Executive Directors, two Non-executive & Non-independent Directors and four Independent Directors as at end of the financial year. As per the regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015 where the listed entity does not have a regular Non-executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. The Company is required to appoint five more Independent Directors. Two of these vacancies are continuing from previous years. As per proviso to the regulation 17(1) of the SEBI (LODR) Regulations, 2015, the Company falls in top 500 listed entities hence it shall have at least one Independent Woman Director by 1 April 2019. The post of Independent Woman Director became vacant on 22 December 2019. Since then the said position is vacant. Accordingly, the Company did not comply with provision of regulations 17 of the SEBI (LODR) Regulations, 2015. For this non-compliance, Stock Exchanges have imposed fine on the Company from time to time. It is informed that the filling up of these vacancies of Independent Directors is pending with the appointing authority namely Government of India. By informing the same, the fine has not been paid by the Company to Stock Exchanges (BSE & NSE). As directed by stock exchanges the matter of non-payment of the fine was placed before the Board for taking note of it and informed the same to stock exchanges. As per the communication no.NSE/LIST/SOP/0449 dated 22 June 2020 received from NSE, the fine levied by the NSE was waived off.*

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws / guidelines/rules applicable specifically to the Company:

(i) Guidelines issued by Department of Public Enterprises;
(ii) Guidelines/Circulars issued by Ministry of Defence from time to time;
(iii) Order/Regulations issued by the Govt. of India from time to time;
(iv) E-Waste (Management & Handling) Rules, 2016;

We further report that:

Subject to the above qualifications on composition of Board, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision was carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

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

We further report that during the audit period there are following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: Nil.

For Thirupal Gorige & Associates LLP
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680B000392703

Place: Bengaluru
Date: 29 June 2020

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

'Annexure A'

To

The Members
BHARAT ELECTRONICS LIMITED
OUTER RING ROAD
NAGAVARA, BANGALORE- 560045, KARNATAKA

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

(1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For Thirupal Gorige & Associates LLP
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680B000392703

Place: Bengaluru
Date: 29 June 2020

Annexure-4

EXTRACT OF ANNUAL RETURN

As on Financial Year Ended 31 March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT-9

I. Registration and Other Details

CIN	L32309KA1954GOI000787
Registration Date	21 April 1954
Name of the Company	Bharat Electronics Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Outer Ring Road, Nagavara, Bengaluru - 560045, Karnataka. Tel. No. 080-25039300
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Pvt. Ltd. #30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003, Karnataka. Tel. No. 080 23460815 to 818.

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SL. No.	Name and Description of main product(s) / service(s)	NIC Code of the product (s) / service (s)	% to total turnover of the company
1	Communication & C4I systems	26303	(Supplies to the Defence for 2019-20 contributed to 82% of turnover)
2	Radar & Fire Control Systems	26515	
3	Electro Optics	26700	

III. Particulars of Holding, Subsidiary and Associate Companies

SL. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	**BEL Optronic Devices Limited** EL 30 J Block MIDC, Bhosari, Pune - 411026, Maharashtra.	U32100PN1990GOI058096	Subsidiary (wholly owned)	100	2(87)
2	**BEL-Thales Systems Limited** CNP Area, BEL Industrial Estate, Jalahalli, Bengaluru-560013, Karnataka	U32106KA2014GOI076102	Subsidiary	74	2(87)
3	**GE BE Private Limited** No.60, Export Promotion Industrial Park, Whitefield, Bengaluru-560066, Karnataka	U31909KA1996PTC020482	Associate	26	2(6)
4	**Defence Innovation Organisation** Centre for Learning and Development Bharat Electronics Limited, Jalahalli Bengaluru – 560013, Karnataka	U73100KA2017NPL102118	Associate	50	2(6)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	1433326432	-	1433326432	58.83	1245973978	-	1245973978	51.14	(7.69)
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**1433326432**	**-**	**1433326432**	**58.83**	**1245973978**	**-**	**1245973978**	**51.14**	**(7.69)**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	**1433326432**	**-**	**1433326432**	**58.83**	**1245973978**	**-**	**1245973978**	**51.14**	**(7.69)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	446737355	69600	446806955	18.34	611714989	69600	611784589	25.11	6.77
b) Banks / FI	10106655	-	10106655	0.42	9064397	-	9064397	0.37	(0.04)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	100357764	-	100357764	4.12	115131839	-	115131839	4.73	0.61
g) FIIs	182605873	-	182605873	7.49	260890412	-	260890412	10.71	3.22
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	117604	-	117604	0.00	72000	-	72000	0.00	0.00
Sub-Total (B)(1)	**739925251**	**69600**	**739994851**	**30.37**	**996873637**	**69600**	**996943237**	**40.92**	**10.55**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate:									
i) Indian	66879812	9900	66889712	2.75	29712081	9900	29721981	1.22	(1.53)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals:									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	151000430	241407	151241837	6.21	128556698	195482	128752180	5.29	(0.92)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	13167054	-	13167054	0.54	8739571	-	8739571	0.36	(0.18)
c) Others (specify):									
i) Trusts	6230817	-	6230817	0.26	10003511	-	10003511	0.41	0.15
ii) NRI	14130290	225	14130515	0.58	9293221	225	9293446	0.38	(0.20)
iii) Clearing Members	11601892	-	11601892	0.47	7154656	-	7154656	0.29	(0.19)
iv) LLP	7	-	7	0.00	257	-	257	0.00	0.00
v) IEPF Account	9320	-	9320	0.00	9320	-	9320	0.00	0.00
vi) Foreign National	506	-	506	0.00	506	-	506	0.00	0.00
vii) Others	-	-	-	-	300	-	300	0.00	0.00
Sub-Total (B)(2)	**263020128**	**251532**	**263271660**	**10.80**	**193470121**	**205607**	**193675728**	**7.95**	**(2.85)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1002945379**	**321132**	**1003266511**	**41.17**	**1190343758**	**275207**	**1190618965**	**48.86**	**7.69**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2436271811**	**321132**	**2436592943**	**100.00**	**2436317736**	**275207**	**2436592943**	**100.00**	

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / Encumbered to total shares	
President of India	1433323132	58.83	0.00	1245973978	51.14	0.00	(7.69)
Prem Kumar Kataria	3300	0.00	0.00	-	-	-	0.00
Total	**1433326432**	**58.83**	**0.00**	**1245973978**	**51.14**	**0.00**	**(7.69)**

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No	Shareholders Name	Shareholding at the beginning of the year 01.04.2019					Cumulative Shareholding during the Period 31.03.2020	
		No. of Shares	% of total shares of the company	Date	Increase/ (Decrease) in Share Holding	Reason	No of shares	% of total shares of the company
1	President of India	1433323132	58.83	01.04.2019	-	-	1433323132	58.83
				19.04.2019	3300	Transfer	1433326432	58.83
				19.07.2019	(73842832)	Transfer	1359483600	55.79
				26.07.2019	3411013	Transfer	1362894613	55.94
				04.10.2019	(16960091)	Transfer	1345934522	55.24
				18.10.2019	809732	Transfer	1346744254	55.27
				31.01.2020	(103798859)	Transfer	1242945395	51.01
				07.02.2020	3028583	Transfer	1245973978	51.14
				31.03.2020			**1245973978**	**51.14**
2	Prem Kumar Kataria	3300	0.00	01.04.2019	-	-	3300	0.00
				19.04.2019	(3300)	Transfer	-	-
				31.03.2020	-	-	-	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

SL. No.	Name of the Shareholders	Shareholding at the Beginning of the Year 1 April 2019		Cumulative Shareholding at the end of the year 31 March 2020	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Reliance Capital Trustee Company Limited A/C Reliance Capital**				
	At the beginning of the Year	105167643	4.32	105167643	4.32
	Increase / (Decrease) in Shareholding during the year	14030644	0.58	119198287	4.89
	At the end of the Year	-	-	**119198287**	**4.89**
2	**HDFC Trustee Company Limited - A/C HDFC Hybrid Equity**				
	At the beginning of the Year	57847158	2.37	57847158	2.27
	Increase / (Decrease) in Shareholding during the year	60594299	2.49	118441457	4.86
	At the end of the Year	-	-	**118441457**	**4.86**
3	**Kotak Balanced Advantage Fund**				
	At the beginning of the Year	47961446	1.97	47961446	1.97
	Increase / (Decrease) in Shareholding during the year	31775824	1.30	79737270	3.27
	At the end of the Year	-	-	**79737270**	**3.27**
4	**Mirae Asset Tax Saver Fund**				
	At the beginning of the Year	23921480	0.98	23921480	0.98
	Increase / (Decrease) in Shareholding during the year	55396754	2.27	79318234	3.25
	At the end of the Year	-	-	**79318234**	**3.25**

SL. No.	Name of the Shareholders	Shareholding at the Beginning of the Year 1 April 2019		Cumulative Shareholding at the end of the year 31 March 2020	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
5	**Life Insurance Corporation of India**				
	At the beginning of the Year	87916268	3.61	87916268	3.61
	Increase / (Decrease) in Shareholding during the year	(23919684)	(0.98)	63996584	2.63
	At the end of the Year	-	-	**63996584**	**2.63**
6	**Aditya Birla Sun Life Trustee Private Limited**				
	At the beginning of the Year	69317555	2.84	69317555	2.84
	Increase / (Decrease) in Shareholding during the year	(14366966)	(0.59)	54950589	2.25
	At the end of the Year	-	-	**54950589**	**2.25**
7	**ICICI Prudential Manufacture in India Fund**				
	At the beginning of the Year	42671717	1.75	42671717	1.75
	Increase / (Decrease) in Shareholding during the year	1675410	0.07	44347127	1.82
	At the end of the Year	-	-	**44347127**	**1.82**
8	**SBI Capital Protection Oriented Fund - Series**				
	At the beginning of the Year	31860566	1.31	31860566	1.31
	Increase / (Decrease) in Shareholding during the year	3378749	0.14	35239315	1.45
	At the end of the Year	-	-	**35239315**	**1.45**
9	**Franklin Templeton Mutual Fund A/C Franklin India**				
	At the beginning of the Year	9844209	0.40	9844209	0.40
	Increase / (Decrease) in Shareholding during the year	13379456	0.55	23223665	0.95
	At the end of the Year	-	-	**23223665**	**0.95**
10	**HDFC Life Insurance Company Limited**				
	At the beginning of the Year	14809399	0.61	14809399	0.61
	Increase / (Decrease) in Shareholding during the year	6197809	0.25	21007208	0.86
	At the end of the Year	-	-	**21007208**	**0.86**

v) Shareholding of Directors and Key Managerial Personnel

For Each of Directors and Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr M V Gowtama, Chairman and Managing Director				
At the beginning of the year	**1,263**	**0.00**	**1,263**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	-	-	**1,263**	**0.00**
Mrs Anandi Ramalingam, Director (Marketing)				
At the beginning of the year	**1,263**	**0.00**	**1,263**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	-	-	**1,263**	**0.00**

For Each of Directors and Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr Koshy Alexander, Director (Finance) and CFO				
At the beginning of the year	**1,265**	**0.00**	**1,265**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	**-**	**-**	**1,265**	**0.00**
Mr Mahesh V, Director (Research & Development)				
At the beginning of the year	**1,265**	**0.00**	**1,265**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	**-**	**-**	**1,265**	**0.00**
Mr Vinay Kumar Katyal, Director (Bangalore Complex)				
At the beginning of the year	**1,263**	**0.00**	**1,263**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	**-**	**-**	**1,263**	**0.00**
Mr Shivakumaran K M, Director (Human Resources)				
At the beginning of the year	**1,263**	**0.00**	**1,263**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	**-**	**-**	**1,263**	**0.00**
Mr S Sreenivas, Company Secretary				
At the beginning of the year	**1,263**	**0.00**	**1,263**	**0.00**
Date wise increase/(decrease) in shareholding during the year specifying the reasons for increase/ (decrease)	-	-	-	-
At the end of the year	**-**	**-**	**1,263**	**0.00**

V) Indebtedness

(₹ In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,334	-	37	3,371
ii) Interest due but not paid	29	-	2	31
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,363**	**-**	**39**	**3,402**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(2,530)	-	-	(2,530)
Net Change	(2,530)	-	-	(2,530)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
iv) Principal Amount	833	-	37	870
v) Interest due but not paid	-	-	2	2
vi) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**833**	**-**	**39**	**872**

VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration of MD, WTD and/or Manager

(Amount in ₹)

SL. No.	Particulars of Remuneration	Mr M V Gowtama	Mr Nataraj Krishnappa	Mrs Anandi Ramalingam	Mr R N Bagdalkar	Mr Koshy Alexander*	Mr Mahesh V	Mr Vinay Kumar Katyal	Mr Shivakumaran K M	Mrs Shikha Gupta	Total
1.	Gross Salary										
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	64,20,822	40,91,509	51,51,909	15,76,956	52,85,772	51,35,151	41,87,106	33,87,987	14,50,447	**3,66,87,660**
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	39,600	7,06,139	6,14,756	3,20,788	32,400	37,645	6,36,564	3,93,744	88,984	**28,70,620**
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
2.	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
4.	Commission										
	- as % of profit	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
	- others, specify....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**Nil**
5.	Others,please specify i) Lease accommodation, retirement & other benefits	11,48,629	5,95,869	13,68,398	3,28,975	13,25,013	9,98,425	12,12,766	11,88,422	14,91,448	**96,57,945**
	Total	**76,09,051**	**53,93,517**	**71,35,063**	**22,26,719**	**66,43,185**	**61,71,221**	**60,36,436**	**49,70,154**	**30,30,879**	**4,92,16,225**

* Mr Koshy Alexander is Director (Finance) and CFO.

B. Remuneration to Other Directors

1. Independent Directors										
SL. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Dr Bhaskar Ramamurthi	Dr R K Shevgaonkar	Mrs Usha Mathur	Mr Sharad Shyam Sanghi	Mr Surendra S Sirohi	Mr Mukka Harishbabu	Dr Vijay S Madan	Mr Sunil Kumar Kohli	
1	- Fee for attending Board/ Committee Meetings	1,40,000	2,40,000	2,40,000	40,000	4,20,000	4,20,000	2,40,000	2,40,000	**19,80,000**
2	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)(1)	**1,40,000**	**2,40,000**	**2,40,000**	**40,000**	**4,20,000**	**4,20,000**	**2,40,000**	**2,40,000**	**19,80,000**

2. Other Non Executive Directors				
SL. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dr Amit Sahai	Ms Manjula J	
1	- Fee for attending Board / Committee Meetings	Nil	Nil	**Nil**
2	- Commission	Nil	Nil	**Nil**
3	- Others, please specify	Nil	Nil	**Nil**
	Total (B)(2)	Nil	Nil	**Nil**
Total (B)= (B)(1)+ (B)(2)		**Nil**	**Nil**	**19,80,000**

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

SL No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO**	Company Secretary	Total
1.	Gross Salary	-	-		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	18,85,768	**18,85,768**
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	2,54,728	**2,54,728**
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	Nil	**Nil**
2.	Stock Options	-	-	Nil	**Nil**
3.	Sweat Equity	-	-	Nil	**Nil**
4.	Commission	-	-		
	- as % of profit	-	-	Nil	**Nil**
	- others, specify....	-	-	Nil	**Nil**
5.	Lease accommodation, retirement & other benefits	-	-	8,63,689	8,63,689
	Total	**-**	**-**	**30,04,185**	**30,04,185**

** included in Part A.

VII) Penalties/Punishments/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority	Appeal Made, if any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Bengaluru
7 September 2020

M V Gowtama
Chairman & Managing Director

Annexure-5

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A) Industry Structure and Developments, Strengths, Weaknesses, Opportunities and Threats, Major Initiatives undertaken and planned to ensure sustained Performance and Growth:

(a) General outlook of economy, industry in which the Company operates, Government Budget, particularly the Defence Budget, market conditions and how these impact the Company, measures taken / action plan to protect the interest of the Company;

The Indian Economy is estimated to become fifth largest in the world as per World Economic Outlook (WEO) of October 2019. The Union Budget 2019-20, had articulated about India becoming 5 trillion USD economy by 2024-25. Given the challenges in Global Economies like trade tensions between the world's largest economies, protectionism etc., the Global output growth is estimated to be slower. As per Second Advance Estimates released by Central Statistics Office (CSO) in February 2020, the Indian economy growth is estimated to be 5% in 2019-20, compared to 6.1% in 2018-19. However, there is growth in macroeconomic stability of India for the last five years, but the challenge faced by the financial sectors in India has put an undue pressure on the Indian economy.

The Balance of Payment has improved due to higher capital flows by way of FDI and Foreign Portfolio Investment (FPI) to the country leading to increase in foreign exchange reserves (USD 302 billion in end March 2019 to USD 461.2 billion as on 10 January 2020).The Current Account Deficit (CAD) has been narrowing leading to reduction in external indebtedness and independent domestic policy.

The unprecedented and unforeseen crisis due to the virulent novel Corona Virus (Covid-19) has shaken the entire human kind across the world. However, due to Covid-19, the real impact on the Indian economy is to be seen in the near future as the situation is evolving.

The pandemic Covid-19 which started in China has affected the whole world and the economies are reeling under the lockdown of various Industries across sectors including Defence.

Defence

As per SIPRI report released in April 2020, the total World Military spending rose to USD 1.917 trillion in 2019 compared to USD 1.822 trillion in 2018 which is an increase of 3.6% compared to the previous year. This is the largest annual growth in Defence spending since 2010.

The United States continues to be the highest military spender in the world, followed by China, India, Russia and Saudi Arabia, with India as the 3rd largest military spender in the World.

In the challenging Geo Political situation, the Indian Union Budget in February, 2020 has allocated ₹ 4,71,378 Crores for 2020-21 for Defence, with an increase of 9.37% over the previous year of ₹ 4,31,011 Crores. The budget for Capital Expenditure has increased from ₹ 1,03,394 Crores in 2019-20 to ₹ 1,13,734 Crores in 2020-21, which is about 10% hike over the previous year.

The Capital Expenditure allocated to Air Force is ₹ 43,282 Crores, Army is ₹ 32,462 Crores and Navy is ₹ 26,688 Crores. Out of the total budget allocation, 59% of Air Force budget is for Capital Expenditure, Navy it is 54% and Army 18%.

The increase in capital budget for defence is not commensurate with the procurement plans of the defence forces and it may also impact the payments for the delivery of ongoing projects of the Defence forces. The Pandemic Covid-19 is likely to impact the Indian Defence Budget /Expenditure in the coming years.

Non-Defence:

Apart from its core Defence Business, BEL has ventured into several non-defence areas like Homeland Security, Smart City, Energy Storage Products, Solar, Space Electronics, Network & Cyber Security, Railways & Metro solutions, Composites and Software.

Homeland Security

The Homeland Security market in India is spread across Central/State Governments, Government Entities including PSUs and Private Sector Organizations. A significant market opportunity exists in Police Modernization, Critical Infrastructure Protection, Border Management, Counter Terrorism Activities, Urban Area Security, Ground Transportation, Port & Maritime Security, etc. Prevailing internal security concerns due to terrorist activities & crime, data thefts, remote monitoring needs for centralized command & control, Asset Protection & Disaster Management, growth in public infrastructure, increased IT spending, various Government initiatives, increase in security spending are boosting demand for the Homeland Security market in India.

The total budget allocation of Union Home Ministry for 2020-21 for the Police Forces (which includes the Central Armed Police Forces and Delhi Police) is ₹ 1,05,244 Crores against ₹ 1,03,204 Crores in 2019-20, a hike of 2%. Out of this budget, ₹ 77,887 Crores has been allocated for the Central Armed Police Forces.

Smart City

Under the Smart City Mission launched by Government of India in June 2015, 100 smart cities have been selected and all the 100 cities have incorporated Special Purpose Vehicles (SPVs), City Level Advisory Forums (CLAF) and appointed Project Management Consultants (PMC) to appraise, approve, implement, manage, operate, monitor and evaluate the projects. The 2020-21 Budget has proposed for setting up of 5 new smart cities, which will be full-fledged new development similar to Gujarat International Finance Tec - City, Special Economic Zones, etc.

The 2020-21 Budget has not mentioned any particular budget increment for the Smart Cities Mission. The 2019 budget had allocated ₹ 6,450 Crore for the Smart Cities Mission for 2019-20 against ₹ 6,169 Crore in 2018-19, a 4.5 % hike than the previous year. As per reports, as much as 5,151 smart city projects with a cost of ₹ 2 Lakh Crore are in various stages of implementation among the 100 smart cities since the inception of Smart City Mission.

The new Strategic Business Unit headed by a General Manager, which was formed exclusively to address the Smart City and Homeland Security Business has made significant achievement by bagging several orders for Homeland Security and Smart City Projects which are under different stages of implementation.

Energy Storage Products

There are substantial business opportunities in the alternative power storage segment in the coming years due to huge requirement of high energy, maintenance free batteries for defence and strategic applications and also the policy interventions by GoI towards E-vehicles.

Among the mature storage technologies, Lithium-ion batteries are the most versatile and efficient storage devices and find usage in a wide spectrum of applications in both defence and non-defence areas. The Electric Vehicles (EV) market in India has gained momentum after several policy initiatives like the National Electric Mobility Mission Plan (NEMMP), Faster Adoption & Manufacturing of Hybrid & EV (FAME) and FAME 2. As per report, the market for Lithium-ion battery in India is expected to grow at a CAGR of 35% in the next 3-4 years.

In addition to Lithium-ion opportunities, Fuel Cell technology-based Energy Storage Products are also projected to dominate the future energy storage markets globally as well as in India.

Seeing the opportunity for Li-ion Cells and emerging market for Fuel Cells, BEL has identified Li-ion Cells/ Batteries and Fuel Cells as one of the focus areas. Towards this, BEL has created a dedicated micro SBU to address the business in a focused manner and further expand its presence in the Energy Storage Products segment by manufacturing of Li-ion Cells and development / manufacturing of Fuel Cells.

Solar

The Government has set an ambitious target of generating 450GW of renewable energy by 2030. This includes a target of generating 175GW of renewable energy by 2022 with a target of 100GW from Solar Power. However, the GoI is confident of achieving 225GW of renewable energy by 2022 breaching the

set target of 175GW. In the Budget for year 2020-21, ₹ 2,516 Crores has been earmarked for solar power which includes both grid-interactive and off-grid projects.

BEL has scaled up its operations from a Cell/Module manufacturing to execution of Solar Power Plant projects under Engineering Procurement Construction (EPC) / Developer mode. BEL has created a new Micro SBU to give a focused approach to target the requirements of Solar Business. In near future, this segment is expected to contribute to BEL's business on a continuous basis.

BEL has also been shortlisted by ISRO for manufacturing of Multi Junction Solar Cells for space application. The plant with a capacity of about 60,000 multi junction Cells per annum will be setup by ISRO and complete manufacturing will be operated by BEL.

Space Electronics

ISRO has opened up opportunities for manufacturing of 'Polar Space Launch Vehicles' (PSLVs) and Small & Micro Satellites, for the Indian Industry. The Global requirement for small satellites is expected to touch around 500 numbers per annum. ISRO has ambitious plans to increase the number of Satellite launches on an average of about 18 satellites per annum from the year 2020-21 onwards. In commensurate with the plans of ISRO, the Department of Space (DoS) has been allocated a budget of ₹ 13,479 Crores for year 2020-21 in comparison to ₹ 11,538 Crores in the previous year. In addition to this, ISRO has approval for launch of 30 PSLVs and 10 Geo Synchronous Satellite Launch Vehicles (GSLVs) in next three years.

BEL is one of the major players in ground segment of Satellite Communication and desires to enter into Space Electronic Systems, manufacture of Small & Micro Satellite and address Launch Vehicle segment jointly with Indian private industry. BEL has long term objective of becoming a prominent player in Space Based Assets and Payloads. During year 2019-20, BEL has responded to New Space India Limited (NSIL) EoI for productionisation of PSLV for ISRO in consortium and also expressed its interest for participation in productionisation of Small Satellite Launch Vehicle (SSLV) for ISRO.

BEL has qualified as an industry partner of ISRO for Assembly, Integration and Testing (AIT) of satellites. During this year, BEL has completed Satellite AIT of three RISAT satellites at ISRO. BEL has collaborated with ISRO and has come out with new products like next generation Indigenous Receivers for Positioning and Navigation (IRNSS), GSAT Terminals, LTCC based Substrates and High power TWTs, which have usage in Defence, Government Services and Paramilitary Applications. BEL is jointly working with ISRO for supply and commissioning of various types of Satellite Networks and HUBs for SatCom Applications.

Network and Cyber Security:

With the advancement of digital technologies and their use in almost all areas, businesses like e-Governance, defence, banking, etc have become vulnerable to cyber attacks. To address the above issues, Cyber Security solutions in the areas of Cyber Warfare, Espionage, National Defence, Protection of Intellectual Property, Data Security for employee/ customer/personal information are being developed. The global Cyber Security market is expected to reach about USD 190 billion by year 2025 and Cyber Security market in India is estimated to be about ₹ 30,000 Crores for next 3 years.

BEL is working in the domain areas of Network Elements and Security, Computing Elements, Encryption, AI & Data Analytics, Security Management, Digital Identity Solutions, Cyber Forensics, Security Services, Secure Network Segregation Solution etc.

BEL has completed the implementation of projects like Security Analytics Centre (SAC) and developed products like Data Diode, PKI, Secure Storage Solutions, Secure Computing Devices, etc.

BEL is empanelled by Indian Computer Emergency Response Team (CERT-In) for providing Information Security Auditing Services. BEL has obtained EAL4 certification for one of its products. During the year, BEL has signed MoUs with several reputed Govt / Private organisations including Academia for cooperation in the field of Cyber Security.

Railways and Metro

The total capital outlay for Indian Railway (amount spent on asset creation) for 2020-21 is ₹ 1,61,042 Crore which is 3% higher than the 2019-20 (₹ 1,56,352 Crores). There are substantial business opportunities in the Rail and Metro business in India. As per the reports, around 34 Metro Rail projects are under construction stage including 9 newly approved projects in different parts of India.

The modernization and new projects like National Common Mobility Card (NCMC) compliant Automatic Fare Collection (AFC) Gating system for Metro's, Indian Computer Based Train Control/Automatic Train Supervision (ATS), Real Time Information System (RTIS) for Indian Railways, LTE based Mission critical communication networks for railways, Unmanned Railway Crossing system, Composite Panels for Rail and Metros, etc. are some of the key areas in which BEL is pursuing for business.

BEL is collaborating with various Public/Private organizations in the area of ATS System, Mission critical Communication System, Composite panel etc. NCMC compliant AFC gating system executed by BEL will be implemented across all modes of transportation i.e. Metro, Trains or Buses in phased manner. Also, having done the pilot implementation of RTIS project, BEL is keen to participate in Phase-II implementation of RTIS project for pan India coverage.

Composites

Composites are used for the manufacture of various products in Aerospace & Defence, Wind Energy, Transportation, Marine Applications etc. As per the reports, the Global Composites market size is expected to grow from USD 90.6 billion in 2019 to USD 131.6 billion by 2024. The demands for lightweight, high-performance, corrosion resistance, long life are some of the key factors which are influencing the growth of Composite business.

BEL is planning to address the Composites structure requirements of Shipyards, Aero structures, Railways & Metros, Land equipments, etc.

BEL has setup facilities for Resin Film Infusion (RFI) and Vacuum Assisted Resin Transfer Molding Process (VARTM). BEL has also tied up with CSIR lab, Academia for consultancy and development of Composites structures. Composite panels are being planned for development as per the requirement of Shipyards and Railways.

Software

The defence technology is transiting from Platform Centric Warfare to Network Centric Warfare. In this transition, Software is becoming a crucial piece of weaponry in the modern defence system. Advance software systems and embedded software technologies play a vital role in modern warfare.

India is one of the leading software development center in the World and Indian IT Industry is growing at a CAGR of 10.71%. As per reports, the Indian IT Industry comprising of Software Products, IT services, Engineering and R&D services, ITES/BPO, Hardware and e-commerce is expected to grow to USD 350 billion by 2025. Majority of the revenue comes from exports of software and services.

BEL is pursuing Business opportunities with potential customers like Para-military Forces, Special Forces, State Governments, other non-defence customers etc in addition to existing Defence customers. To address the Software business opportunity in a focused manner in both Indian and export market, a dedicated General Manager has been appointed.

Apart from core defence segments, opportunities with respect to Homeland Security, e-Governance Projects, Smart Cities, Digital Transformation Projects, Software Simulators, Software Assurance Services are also being focused.

Focused Approach for New Areas in Defence

To give a focused approach to upcoming areas in Defence & Aerospace sector, BEL has ventured into Unmanned Systems, RF and IR Seekers, Missiles, Rockets, Glide Bombs & Ammunition.

Unmanned Systems

Military applications like reconnaissance, intelligence gathering, detection of threats etc. are migrating

from Manned Systems to Unmanned Systems, due to criticality of missions, avoidance of risk associated with International norms and value for human life.

The Indian UAV segment offers an overall opportunity of about USD 5 billion during the LTIPP Plan period ending by 2027. Opportunities in Unmanned Systems include Unmanned Aerial Vehicle (UAV) systems, Unmanned Ground Vehicles (UGVs) and Unmanned Underwater Vehicles (UUVs) & Unmanned Surface Vehicle (USV) systems.

BEL has been addressing the UAV/UGV/UUV/USV requirements of the Indian Defence / Non-Defence segments by partnering with DRDO / foreign OEMs/ Indian Academia/ Startups etc. BEL has been working on the Payloads (like EO, Communication, ESM etc.) and Ground Control Station requirements of UAVs and also developing capabilities in Drone Guard Systems. BEL has started a Micro SBU to address the opportunities of Unmanned Systems for both Defense and Non-Defence customers.

RF and IR Seekers

The next generation of SAM and other AD Missiles are based on active/passive seeker technologies, which uses RF seekers and IR seekers for homing on to the targets. The requirements for RF and IR Seekers are derived demands arising out of procurement of various Next Generation Missiles.

As per the defence acquisition plans of India and friendly countries, opportunities for RF and IR Seekers is about ₹ 28,000 Crores in next 10 years.

BEL is involved with DRDO for concurrent absorption of technology for further engineering and productionisation of RF and IR Seekers. These seekers will be a key differentiator in all future Indigenous AD and other Missile Systems. BEL manufactured and supplied RF seekers are already successfully used in the flight trials.

Missiles, Rockets, Glide Bombs & Ammunition

Make in India initiative of MOD, has given an opportunity to Indian Industry to take up indigenous development and manufacture of identified missiles, projectiles and related ammunitions.

As per the defence acquisition plans of India, opportunities for this segment is about ₹ 10,000 Crores in next 10 years.

BEL is pursuing opportunities under Make II category and other procurement category of DPP. Along with this, BEL is also exploring opportunities in manufacture of propellants for Defence/Space segments. BEL is partnering with Academia, R&D Institutes, Start-ups etc. as knowledge/ technology partners.

BEL is already engaged in the development and manufacture of Missile Electronics and parts, Ammunition fuzes etc. BEL is pursuing several MoD and DRDO (DCCP) opportunities which are at different stages of procurements. Apart from this, BEL is also creating necessary infrastructure for manufacture of missiles, glide bombs, rockets and its related parts.

(b) Industry Structure and Developments

Presently, India is the second largest importer of defence equipment with majority of its defence needs being met through imports. Government of India aims to develop a strong self-reliant domestic industry in the defence sector with substantial participation from private sector including MSMEs and Start-ups to reverse the trend of imports.

In this regard, the Government has taken several initiatives like "Make-In-India" program, creation of an eco-system for development of technologies through innovation by MSMEs / Start-ups, etc. With the support of the Government, Indian industry is expected to move up in the value chain and deliver quality products, systems and services to the Defence forces. Government has promulgated a draft defence production policy that aims at increasing defence production to Rs 1,70,000 Crores by 2025.

MoD has introduced the Strategic Partnership model (SP) for the Indian private sector, as part of DPP 2016. The model aims to progressively build indigenous capabilities in the private sector to design, develop and manufacture complex weapon systems and platforms.

To promote indigenous defence manufacturing, Government has undertaken 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, etc. MoD has released a simplified Make-II procedure to help import substitution and promote Innovative solutions. Suo-Moto proposal can also be submitted under Make-II category.

Foreign Direct Investment (FDI) up to 49% is allowed through automatic route and above 49% under Government route wherever it is likely to result in access to modern technology.

DRDO developed technologies are now made available on non-exclusive basis to Indian industry including private sector against payment of ToT and Royalty fees. Also, DRDO has come out with a revised Policy and Procedures for Transfer of Technology to Industry during October 2019.

Two Defence industrial corridors in Uttar Pradesh and Tamil Nadu is being established by the Government. The Uttar Pradesh Defence Corridor will have six nodes at Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow. The Tamil Nadu Defence Corridors will have five nodes at Chennai, Coimbatore, Hosur, Salem and Tiruchirappalli. An investment plan of about ₹ 3,100 Crores and ₹ 3,700 Crores has been announced for Tamil Nadu and UP corridors respectively by Ordinance Factories, DPSUs and Private Companies.

The procedure of 'Make-I' has been simplified and a new 'Make-II' program has been introduced by Government that will help MSME and Startup companies to integrate into defence production. BEL is also participating in many of the "Make II" programs of defence services.

Under these changing business scenarios, BEL is focusing on enhancing its interaction levels and building long term relationships with emerging Strategic Partners, Users and other key stake holders in the Indian defence industry.

(c) SWOT Analysis

Strengths

- Established defence electronics player in India.
- Defence PSU with a good image, reputation and work ethics culture.
- Strong multi layered in-house R&D for technology and new product development.
- Committed work force with good infrastructure for manufacturing and quality assurance.
- Well established systems and procedures including companywide ERP system.
- Decades of experience resulting in excellent domain knowledge and core competencies in defence electronics.
- Wide product range with strong product support network.
- Strong relationship with Armed forces, defence R&D labs and Government agencies.
- Loyal customer base.
- Agility in diversification initiatives.
- Active learning from collaborators.
- Expertise and experience in executing large & complex System Integration Projects & Turnkey Solutions.
- Consistently profit making.
- Long term commitment to customers.

Weaknesses

- Gaps in some of the critical technology areas.
- Dependence on defence market.
- Time to Market – High.
- Dependence on DRDO for technology in certain segments.
- Depleting reserves.

Opportunities

- Growing defence and security needs.
- Government's emphasis on Make-In-India for manufacture of defence equipments.

- Growing defence budget allocation towards modernization, upgrade programs and Maintenance Repair & Overhaul.
- Increased impetus on modernisation of central paramilitary and police forces.
- Withdrawal of OEMs from China as a manufacturing base.
- Growing market for allied non-defence areas such as Homeland Security, Smart City, Space Electronics, Energy Storage Products, Network & Cyber Security, Composites, Solar based power plants, Railways etc.

Threats

- Rapid changes in technology in defence.
- Difficulty in sourcing of few critical and denied technologies.
- Policy interventions favoring Private sector.
- Manifold increase in competition from Indian Private industry and foreign OEMs including their JVs in Defence sector.
- Procurement of electronic systems under Strategic Partnership Model.
- Impact due to COVID like Pandemics.

(d) Major initiatives undertaken/planned, including strategy, goals and targets set by the top management, to ensure sustained performance and growth of the Company

The Company has undertaken the following major initiatives to ensure sustained performance and growth of the Company:

(i) Strategic alliances in emerging businesses through Co-development, Co-production and Manufacturing ToT:

The Company is working in many strategic areas of national importance such as Weapon systems, modern Land based AESA Radars, Naval Radars, Airborne Radars, Next Generation Electronic Warfare Suites and Counter Measure Systems, Air Defence Systems, Unmanned Systems for Land, Air & Surface and Under-Water applications, Anti-Submarine Warfare Systems, Software Defined Radio, C4I Systems, Passive Night Vision Devices, Multi-sensor Stabilization Systems, Arms and Ammunitions, Transportation Solutions for Railways and Metro, Composite Products for Land, Marine & Avionics segments, Artificial Intelligence & Robotics, Space Electronics & Launch Vehicles, Solar, Medical Equipments and related solutions, Energy Storage Products etc.

Many strategic alliances have already been formed and more partnerships are being pursued with Defence laboratories, Ordnance Factory Board, DPSUs, Academia, Startups, niche technology companies and reputed global and Indian companies/agencies for addressing the emerging Defence and Non- defence businesses including exports.

Some of the products & systems identified and being pursued for alliances for Co-development, Co-production and Manufacturing ToT include Surface-to-Air Missile (SAM) Systems, RF/IIR Seeker, Air Defence Radars (Land and Naval based), Navigational Complex System, Sonar Systems, Next Generation Night Vision Devices, Gun Upgrades/New Gun Programs, Explosives, Ammunitions, Inertial Navigation Systems, High Power Lasers, Tethered Unmanned Aerial Vehicles and Swarm UAVs, Remotely Operated Vehicle (RoV), Counter Measure Systems, Electronics Systems for Futuristic Infantry Combat Vehicle (FICV), Satcom Terminals, Composite products, Rail & Metro Solutions, Li-ion Cells, Medical Equipments etc.

(ii) Joint Ventures (for existing / emerging business areas):

BEL has been continuously exploring opportunities for establishing Joint Ventures / Special Purpose Vehicles with reputed companies in complementary technology / Strength areas to bridge technology gaps and also to scale up the existing areas as well as enter into emerging business areas.

The Joint Venture BEL-THALES Systems Limited (BTSL) is formed between BEL and Thales, France with an objective to engage in design, development, marketing, supply and support of civilian and select

defence radars for the Indian and global markets. Benefitting from the confluence of work culture and Technology / manufacturing support of the Parent Companies, the JV has imbibed the best practices of both parent organisations and is growing into a centre for development, evolution and customization of products and as a trusted supplier. BTSL is presently engaged in the co-development of a Multi-Target Tracking Radar with Thales Netherlands to address the Indian weapon systems projects as well as the global requirements. BTSL has successfully customized and deployed a FM based Passive Radar Demonstrator in Bangalore. A well-equipped Integration and Verification facility for high end avionics systems setup is geared to fulfill the offset sourcing in the defense market. The Company is also involved in providing technical and product support for Air Traffic Management Radars.

BEL is in discussion with an Israeli OEM to establish a new Joint Venture Company to provide Product Life Cycle Support for the Weapon System Programs.

Technology Updation and R&D Challenges

Core Technologies: Core technologies required for developing products and solutions for the Defence Forces are often not readily available. These need to be developed and constantly upgraded for building solutions with a competitive edge.

Lock in for Proprietary Technologies: While it is inevitable for the defence forces across the world to depend on proprietary technologies, getting locked in to a single source for the technologies and solutions is a challenging situation for them.

Measures

To overcome the challenge of continuous upgrade w.r.t underlying core technologies for all products and solutions across BEL, a 3 tier R&D structure is put in place. At the topmost tier, two Central Research Laboratories (CRLs) located at Bengaluru and at Ghaziabad are engaged in blue sky research for development of core technologies in the areas of Radio Frequency and Microwave, Embedded Computing Systems, Radar Signal Processing, Network Centric Software, Sensor Signal Processing, Very Large Scale Integration, Smart Computing Systems, Network and Data Fusion and Electronic Warfare etc. These are then engineered into core technology modules and products by the Product Development and Innovation Centre (PD&IC), which forms tier 2. This is complimented by BEL Software Technology Centre (BSTC) for related software modules. At the third tier, Development and Engineering divisions operating at all Strategic Business Units liaison with the customers for understanding their requirements, mapping them to technical specifications and developing products/ solutions incorporating the core technology modules developed through the higher tiers, i.e CRLs, PD&IC and BSTC.

To overcome the challenge of lock-in to proprietary technologies, wherever feasible, the Company develops technology modules/ solutions based on standard protocols which can be evaluated using standard test & measuring instruments. Even when a given Technology Module/ Product/ Solution is Built to Specs (tailor made for the defence forces), they are developed with standard interfaces so that they can be used as plug and play modules in a larger system. Even within the solution developed, standard interfaces, modularity and scalability is ensured. This safeguards against the lock-in situation and ensures that the system developed is easily maintainable. Further, wherever a subsystem or a component is procured, multiple sources for this subsystem/ component are created to safeguard company from getting locked in.

R&D Initiatives and Achievements

Following are some of the new initiatives undertaken by BEL in the areas of R&D and technology development during the year 2019-20:

- BEL has initiated development of several Artificial Intelligence based products some of which are: "Object Detection and Tracking", "Social Network Analysis", "Robotic Surveillance Platform", "Human Face Recognition".
- Air Defence Fire Control Radar that will replace existing Fire Control Radars.

- Long Range Surface to Air Missile (LRSAM) is an Indo-Israeli surface-to-air missile, designed to defend against any type of airborne threat including aircraft, helicopters, anti-ship missiles, UAVs, ballistic missiles, cruise missiles and combat jets. Ship launched Long Range Surface-to-Air Missile (LRSAM) has been successfully test fired from a warship off the coast of Odisha.
- More than 71 Technical Papers were published by scientists and R&D engineers of BEL in various national and international Journals/Seminars/ Conferences.
- During the year 2019-20, BEL has filed for 160 IP applications (patents / copyrights) in various areas of technology. Three patents have been granted to BEL in the year 2019-20.

Some of the new initiatives undertaken by Company in collaboration with academia are as follows:

- Design and development of nano UAV (Insectocopter).
- Autonomous quad rotor drone for operating in GPS denied environment.
- Cooperative spectrum sensing algorithm development.
- Automatic speech recognition for border languages.
- Voice recognition for pilots for identification of false/ deceptive targets.
- Game theory based interception, AI based Multi Sensor Fusion, Geo referencing of UAV image/ video.
- Image analysis based identification, Thermal image extraction & classification, Target size & distance using photogrammetry, tracking of static/moving object UAV.
- Development of AI model for real-time detection, Tracking and Classification of human/vehicle activities from video stream.

Specific areas in which R&D was carried on and benefits derived as a result of the activities are as follows:

Like every year, several R&D projects were taken up by BEL in 2019-20 and several were completed in specific business segments/ areas. These include R&D projects in major segments like Radars & Weapon Systems, Communication Systems, Naval Systems, Electronic Warfare & Avionics, Air Situational Warfare, Tank Electronics, Electro Optics and Laser Systems and commercial segment. The benefits derived are in the form of major share of revenues generated by the Company in the above business segments. Indigenous R&D typically leads to more than 80% of the Company's turnover. Besides, several technology modules have been developed some of which have resulted in import substitutions, thereby reducing the import bill. Some of the BEL developed solutions have also resulted in export orders received by the Company.

Details of Major accomplishments in equipment and components area:

- R&D projects undertaken by BEL which have resulted in export orders are Coastal Surveillance System for Maldives, Coastal Surveillance System for Seychelles, Weapon Locating Radar for Armenia and COMNET for Guinea.
- R&D projects which have fetched considerable revenues for the Company (both Defence and non-Defence segments) include LRSAM, Train Simulator for Mumbai Monorail, System for High Altitude Area, National Common Mobility Card Based Auto Fare Collection Gate, Systems for Low Intensity Conflict, Ship-borne System, IEWS Upgrade, Upgraded stabilised optronix Platform, Real Time Train Information System, Missile Data Link Unit Mk II, CDMA Based wireless communication system, Instant Fire Detection and Suppression System, Digital flight control computer, Multi-Purpose Weapon Sight, Multi-Function Radar and Command and Control Unit for Akash-NG, X Ray Baggage Inspection System.
- Technology Modules and subsystems developed indigenously, which have resulted in import substitution are dip brazed chassis for flight control computers, LNAs and Data Processor for radars, Maintenance and Training Support Device (MTSD), Medium Wavelength Infra-Red (MWIR) Zoom Lens for Thermal Imager (TI) Sights, High power

Digital Dual Transmit- Receive Unit (DTRU) and Dual Receive Unit (DRU) for Air Surveillance Radar, Compact Tracking Radar (CTR), Multi-Function Console (MFC) for Radar, Satellite On The Move.

(e) Diversification / Expansion Plans:

As a diversification strategy, the Company has been exploring opportunities in allied defence and non-defence areas for growth, leveraging its strengths and capabilities acquired in the defence electronics domain. In the past 4-5 years, the non-defence portion, on an average (exception being in 2018-19 due to EVM/VVPTs) in company's business is about 15-20% of total turnover. This year company has about 18% of turnover from non-defence segment. The company aims to achieve revenues of about 20-25% of company's turnover from the non-defence business in the coming years.

The Company has been putting continuous efforts and focus to enter and address several new areas in both defence and non-defence for further expanding its business in new markets and sustaining the growth. Some of the areas being focused upon by BEL in defence include – Next Generation Weapon Programs including critical parts in RF, EO and other Electronic parts, Airborne Radars, Arms & Ammunitions and Explosives, Unmanned Systems, Aircraft Integration, Night Vision Devices, INS solutions for various Platforms, Helmet mounted Display Systems, Counter Measures Systems for Airborne Platforms, Composites etc.

Some of the areas being focused upon by BEL in the non-defence include - Air Traffic Controller Radars, Space Electronics, Space Launch Vehicles, Space grade Solar Cells, Satellite Assembly & Integration, Railway and Metro Solutions, Software, Electric Vehicles (Li-ion Cells, Fuel Cells, Charging Stations, etc), Homeland Security and Smart City Businesses, Smart Meters, Healthcare electronic equipments to combat COVID-19 situation.

BEL has successfully diversified into Electronic Fuzes, Critical parts for Weapon Programs, Light weight Composite Shelters & Masts, Homeland Security & Smart Cities, Network & Cyber Security, Rail & Metro solutions (Real time Train Information System, Automatic fare Collection and Gating system for Metro), Intelligent Traffic Management Systems, Energy Storage Products, Solar Power Plants, Cells & Modules, Satellite Assembly & Integration, X-Ray Baggage Scanners (X-BIS) etc.

BEL also continuously strives to expand its business by capturing new customers in the existing geographical markets as well as new geographies for its proven products, Systems and Solutions. BEL has ventured into new Business Models like Government Owned Company Operated (GOCO Model), OPEX Model etc to expand its business by capturing new Customer segments. BEL is striving to exploit its dual use technologies for expanding the market as well as customization of its products / solutions to meet the new customer segments / geographical areas, especially in the export markets.

BEL is leveraging on its new International Marketing offices to expand the reach of its products and services to the new Markets and also explore Offset Opportunities. BEL is also forging partnership with other PSUs/ Industry players for quickly expanding the geo spatial reach through resource sharing.

(f) Specific Measures on Risk Management, Cost Reduction and Indigenisation:

1. Risk Management:

BEL operates in businesses which involves exposure to various types of risks such as dynamic customer requirements, technology /security considerations, research & development, long duration for equipment evaluation and trials, timely on-site product support requirements in adverse conditions, etc.

In order to address these risks comprehensively, BEL has established an Enterprise Risk Management (ERM) framework, across the company. The deployment of ERM is based on the Risk Management Policy released with due approval of the Board.

The Risk Management Policy outlines Risk Management Structure, Scope & Objectives, Focus Areas, Roles and Responsibilities of Risk champions and other concerned

personnel in the company. A comprehensive framework for Risk Identification, Evaluation, Prioritization and Mitigation of various risks associated with different areas such as Technology, Market, Security including Cyber Security, Operations, Finance, Human Resources, etc are also defined in the Policy.

The Risk Management framework of BEL has three tier Structure, with the Board of Directors (BoD) (represented by Risk Management Committee (RMC) of the Board) at the Apex Level and the Corporate Risk Management Committee (CRMC) at Corporate Level and Unit Risk Management Committees (URMCs) at the SBUs/Units /R&D Centres.

The Company level risks are monitored by CRMC which is headed by a "Functional Director" and senior management of corporate at General Manager Level are its members.

URMCs are constituted at each of the Units/SBUs/R&D centres for effective management of Risks. The Unit Risk Management Committees (URMCs) are headed by the respective SBU/Unit Heads/R&D Centre Heads and coordinated by respective Unit/R&D Centre Risk Champions. URMCs focus on risks specific to their area of operations.

URMCs carryout risk assessment in their respective operational areas, as an ongoing activity and every quarter conduct a formal review of risks and suggest mitigation measures. The URMCs further prioritize and grade their risks as per their assessment in terms of probability and impact. The top risks are reported by URMCs to CRMC every quarter. CRMC analyses the Risk Register received from the URMCs and also Company Level Risks.

The risks having Company-wide impact, which needs review and advice, are placed before RMC. After review and recommendations by RMC, these risks are addressed by introducing suitable changes or introduction of policies and processes if required. Risks, that may have significant impact on company's business operations and may threaten the existence of the Company, are further referred by RMC to the Board. The Board would further review the risks and gives approval for appropriate mitigation measures. These mitigation measures are implemented and further reviewed by RMC for compliance and the implementation status reported to the Board.

The risks, which may have high potential of impact on major projects, investment proposals etc, are referred to CRMC for detailed review and analysis and for mitigation measures. Major Project proposals and those having strategic importance mandatorily include risk analysis reports as part of their proposals while seeking approval from the approving authority. This is to enable the approving authority to take informed decisions.

Some of the Risk Mitigation measures implemented at BEL include in-house R&D to develop critical technologies, hedging to overcome any unforeseen FE variations, business diversification to maintain planned growth rates, partnerships for co-development & addressing new business opportunities, Indigenization, comprehensive vendor development and evaluation process, etc.

To have a uniform understanding of the ERM in the company, all new members of the CRMC, URMCs and other Senior Executives are trained in ERM on a continuous basis. The ERM training programs are periodically organized by Corporate Human Resources Department. ERM training is included in the calendar program of BEL Academy of Excellence (BAE), Bengaluru, as a continuous activity.

BEL has taken up revision of Risk Management Policy for the company, taking into consideration the changes in the business environment. The revised policy will be released after necessary approvals.

2. Cost Reduction:

In view of increasing competitive environment for electronic products both in civil & defence, BEL has adopted cost reduction strategy as one of the thrust areas. "The Cost Reduction" Task Forces are set up in all the Units/SBUs with members from Cross Functional Areas. The Task Forces identify & take up projects and set target

for achieving cost reduction. Cost reduction activities concentrate on both manufacturing & non-manufacturing areas and encompass all facets of business.

3. Indigenization:

BEL has always been striving to attain self-reliance through indigenization efforts and thereby meet the strategic needs of the nation. The indigenization activity covers development initiatives through in-house R&D, collaborative R&D & joint development with national labs, academic institutions etc. To give further thrust on indigenization, the Company has set up an integrated state-of-the-art Product Development & Innovation Centre at Bengaluru. With all these efforts, around 79% of turnover was generated from indigenous technology during the year 2019-20 marching towards attaining self-reliance in strategic electronics.

(B) Internal Control System and its Adequacy:

BEL has a robust system of internal controls in place. It has documented policies and procedures on Purchase, Sub-contract, Works contract, Accounting, HR, IT and Security, Sub-delegation of Powers, etc. covering all financial and operating functions, and revised in tune with the changing times. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliance with regulations, etc. BEL has implemented File Life Cycle Management System (FLM) for online processing and approvals of procurement and other proposals, which facilitates complete transparency, accountability, protection and security of the information/ files. Elaborated guidelines for preparation of accounts are followed consistently for compliance with Indian Accounting Standards (Ind AS) and Companies Act, 2013.

BEL has implemented company-wide ERP system (SAP) with centralised deployment. Governance Risks and Compliance (GRC) Access Control module has been implemented as the primary means of addressing user access risks by embedding preventive rule based checks while assigning authorisations to business transactions. Authorisations to users are given based on principles of Segregation of Duties and Least Privilege. Risk rules have been configured in the system in several business processes like Finance, Procure to Pay, Order to Cash, Material Management, HR and Payroll. Risk analysis reports are regularly run to ensure that processes are under control. Additional control in the form of biometric fingerprint authentication for critical transactions is also in place. Audit logs for all changes in roles and authorisations are maintained.

BEL has its own Internal Audit Department commensurate with the size of its operations, with teams of professionally qualified personnel who conduct regular and comprehensive internal audits to ensure that all checks and internal control systems are in place. Besides, the Company has sub-committee of the Board viz. Audit Committee (AC) to keep a close watch on compliance with Internal Control Systems. Also, being a Government Company, BEL is subject to Audit by Comptroller & Auditor General of India (C&AG).

BEL's Internal Audit teams are located at major manufacturing units and Corporate Office of the Company which carry out audits as per risk-based Annual Audit Programme approved by Audit Committee of the Board. All the Internal Audit teams submit audit reports to their team leaders and after considering the Auditees' replies / action taken reports, team leaders submit reports of significant issues observed during audit to Head of Internal Audit on periodical basis. Head of Internal Audit submits his/her reports to Company's Management at various levels for corrective actions and finally submits report to the Audit Committee of Board indicating status of compliance with well-established internal control systems of the Company and plan for mitigating the key risks associated with major activities of the Company.

BEL's Internal Audit checks the adequacy and effectiveness of internal control system through regular audits, system reviews, process reviews, data analytics, etc. and provides assurance on compliance with the legal and regulatory requirements, and internal policies and procedures of the company. Functioning of Internal

Audit as well as Internal Control systems are periodically reviewed by Board-level Audit Committee. The Audit Committee of the Board of Directors, comprising Independent Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards & policies from time to time and issues directives for compliance to further strengthen the internal control system keeping in view the dynamic environment in which the Company is operating.

The Company continues its efforts to align all its processes and controls with global best practices, to assure the highest level of Corporate Governance.

(C) Financial/Operational Performance:

1. Strategy & Objectives:

The main objectives of the financing strategy of your Company are to generate adequate internal resources for profitable growth, to give value for money and create wealth for shareholders, to maintain highest credit rating and to build in risk mitigation strategies in the business processes to minimize exposure to financial risks.

2. Performance Highlights:

(₹ in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	12,92,111	12,08,460
Earnings before interest, tax, depreciation and amortization(EBITDA)	2,73,013	2,86,208
EBITDA Margin (EBITDA/ Revenue from operations)	21.13%	23.68%
Profit After Tax	1,79,383	1,92,729
No. of Days Inventory/ Value of Production	117	136
No. of Days Trade Receivables/Turnover	195	166
Current Ratio	1.45	1.52
Debt Equity Ratio	0.001	0.004

3. Analysis of Financial Performance of 2019-20:

- Turnover registered a growth of 6.94% from ₹ 11,78,922 Lakhs in 2018-19 to ₹ 12,60,776 Lakhs in 2019-20.
- Value of production has increased from ₹ 11,92,142 Lakhs in 2018-19 to ₹ 12,34,833 Lakhs in 2019-20. Increase of 3.58%.
- Turnover per employee has increased from ₹ 122.65 Lakhs in 2018-19 to ₹ 135.87 Lakhs in 2019-20.
- PAT to Turnover Ratio is 14.23% in 2019-20 as compared to 16.35% in 2018-19.
- Net Worth has increased from ₹ 9,01,891 Lakhs in 2018-19 to ₹ 9,85,294 Lakhs in 2019-20.
- The return on Net worth is 18.21% during 2019-20 as compared to 21.37% in the previous year.
- Earnings per share is ₹ 7.36 in 2019-20 as compared to ₹ 7.91 in 2018-19.
- Book value per share is ₹ 40.44 in 2019-20 as compared to ₹ 37.01 in 2018-19.

(D) Development in Human Resources

Competency Enhancement of employees is an important aspect of the Company's Human Resource Strategy. The programs planned by Human Resource Development for the employees are aimed at improving their skills for present and future roles i.e., training for the present roles and development for the future. Enhancement of work related skills both at the individual and at the team level through various HRD initiatives ensure overall development and well-being of our employees.

The Executive Competency Enhancement basket includes Management Development Programmes (MDPs), Technology Enhancement Programmes (TEP) and Quality Enhancement Programmes (QEP) conducted for Executives by In House Experts as well as through Faculty from Premier Institutions/ Agencies.

In the year 2017, BEL established an exclusive Training Academy, NALANDA - BEL Academy for Excellence. The programs are conducted across the Technology, Quality and Behavioural and Leadership Domains.

The Academy facilitates enhancement of competencies through Trainings to address the needs of the current role and through Developmental initiatives to address the needs future role for the Executives across all the Units of BEL. Training and Development has broadly been categorized into three types:

i) Short Term Programs: Training programs in the area of Radar Signal and Data processing, Aerial Delivery and Airborne Surveillance Systems, Advance Signal Processing Techniques for Modern Radar, Seminar on Technologies for Indian Defence Industries, Tracking and Neutralization of Unauthorized Drones, Microwave & RF, Smart Materials, Structures & Systems, Advanced Metal Processing and Evaluation Techniques, Met materials and Applications, Agile Mobile based Embedded SW Development, IT in Defence. Short term courses are also conducted in various functional areas and other related domains of BEL.

ii) Certification Programs: WEB based and customized certification programs (4 months duration) from DIAT, Pune in technology areas EW, RADAR, VHDL, DSP, Lab VIEW. Six months WEB based certification program on Foreign Trade by Indian Institute of Foreign Trade was also conducted.

iii) Long Term Programs: Two customized WEB based M.Tech programs, one from IIT-Madras on Communication & Signal Processing and other from BITS-Pilani on Artificial Intelligence.

The Academy also facilitates Six Sigma projects and in the year 2019-20, 462 Six Sigma projects were completed with estimated savings of ₹ 142 Crores. On the Quality and Project Management front, Global certification such as CRE, CMQ/OE, CQE, CMQ/OE, CSQE in collaboration with American Society of Quality (ASQ) & PMP in collaboration with Project Management Institute (PMI), USA are organized in the Academy.

In the Leadership domain, various programs have been organized to address the Behavioural Competency Enhancement such as, Structured Development Programs, Change Management Program, Advanced Program for Senior Executives, Women Leadership Workshops, Outbound Training Program, Risk Management, HR Analytics Programs, High Impact Train the Trainer and Finance for Non Finance etc.

New initiatives by the Company include Online Development Centres for Executives to ensure focused developmental learning.

Some of initiatives rolled out to enhance Leadership Capabilities of General Managers during the year are enumerated below:

- Introduction of Orientation programs for Newly promoted GMs.
- Executive Coaching.
- Training for Board Interviews.
- Training on Value Creating Financial Strategies.
- Awareness programs on RTI, POSH & Disciplinary Procedures.
- Advance Management Program which included an Overseas Module for gaining International Business Perspective.

Skill development programs for Non-Executives were organized by Unit HRDs in the areas of Technology, Functional Domain, General Management, Professional Development Programs and Other Programs such as Quality, Safety, First aid, Official Language and business specific topics.

BEL has been promoting health and well-being programs for all employees. Workplace health and well-being programs not only have a positive impact on employee wellness, they also lead to a significant increase in the productivity, overall engagement and cohesiveness of the workforce.

Annexure-6

CORPORATE GOVERNANCE REPORT

Philosophy and Code of Governance

Bharat Electronics Limited's (the Company) philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, compliances, transparency in decision-making and avoiding conflicts of interest. The Company gives importance to adherence to adopted corporate values & objectives and continuously ensures ethical & responsible leadership at all levels in the Company in discharging social responsibilities as a corporate citizen. The Company believes in customer satisfaction, financial prudence and commitment to values. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy.

The Company strives to transcend much beyond the basic requirements of Corporate Governance focusing consistently towards value addition for all its stakeholders.

Board of Directors

Composition

Pursuant to the Companies Act, 2013, Bharat Electronics Limited is a 'Government Company' as 51.14% of the total paid-up share capital of the Company is held by the President of India as on 31 March 2020.

In line with the provisions of Regulations 17 of SEBI (LODR) Regulations, 2015, (hereinafter called 'the Listing Regulations') and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Dept. of Public Enterprises, Govt. of India (DPE Guidelines), the composition of Board of Directors of the Company has an appropriate mix of Executive Directors represented by Functional Directors including CMD and Non-Executive Director represented by Government Nominee Directors & Independent Directors, to maintain the independence of the Board and to separate the Board functions of management and control. As the Chairman is an Executive Director, Independent Directors comprise half of the strength of the Board.

As on 31 March, 2020, BEL Board of Directors comprises of seven Whole-time Executive (Functional) Directors including CMD, two Part-time Government (Non-executive) Directors and four Part-time Independent (Non-executive) Directors.

There are five vacancies of Independent Directors including one Independent Woman Director as on 31 March 2020. All the vacancies were timely notified to Govt. for filling up and the matter of filling up of these vacancies is under consideration of Ministry of Defence, Government of India.

Meetings and Attendance of Board Meetings

During the financial year ended 31 March 2020, eight Board Meetings were held and the maximum interval between any two meetings was not more than 120 days. The Board Meetings were held on 3 May 2019, 29 May 2019, 29 July 2019, 16 September 2019, 4 November 2019, 30 January 2020, 28 February 2020 and 31 March 2020. Details of attendance of the Directors at the Board meetings, Annual General Meeting number of other Directorships and Committees Memberships/ Chairmanships held by them as on 31 March 2020 are given below:

Sl. No.	Name of Directors	Meetings held during respective tenure of Directors	No. of Meetings attended	Attendance at the last AGM held on 16 Sept. 2019	No. of Directorship(s) held*	No. of Committee Membership/ Chairmanship across all Companies#	
						As Member	As Chairman
Whole-Time Functional (Executive) Directors							
1	Mr M V Gowtama	08	08	Yes	01	Nil	Nil
2	Mr Nataraj Krishnappa (ceased to be Director w.e.f 30.11.2019)	05	05	Yes	-	-	-
3	Mrs Anandi Ramalingam	08	07	Yes	03	02	Nil

Sl. No.	Name of Directors	Meetings held during respective tenure of Directors	No. of Meetings attended	Attendance at the last AGM held on 16 Sept. 2019	No. of Directorship(s) held*	No. of Committee Membership/ Chairmanship across all Companies#	
						As Member	As Chairman
4	Mr R N Bagdalkar (ceased to be Director w.e.f 30.05.2019)	02	02	NA	-	-	-
5	Mr Koshy Alexander	08	08	Yes	03	01	02
6	Mahesh V	08	08	Yes	03	01	Nil
7	Mr Vinay Kumar Katyal	08	08	Yes	01	Nil	Nil
8	Mr Shivakumaran K M (appointed as Director w.e.f. 11.06.2019)	06	06	Yes	01	01	Nil
9	Mrs Shikha Gupta (appointed as Director w.e.f. 01.12.2019)	03	03	NA	01	01	Nil
Part-time Government (Non-executive) Director							
10	Dr Amit Sahai	08	08	Yes	01	Nil	Nil
11	Ms J Manjula	08	02	Yes	02	01	Nil
Part-time Independent (Non-executive) Directors							
12	Dr Bhaskar Ramamurthi (ceased to be Director w.e.f 01.12.2019)	05	04	No	-	-	-
13	Dr R K Shevgaonkar (ceased to be Director w.e.f 01.12.2019)	05	03	Yes	-	-	-
14	Mrs Usha Mathur (ceased to be Director w.e.f 22.12.2019)	05	04	Yes	-	-	-
15	Mr Sharad Shyam Sanghi (ceased to be Director w.e.f 06.01.2020)	05	02	No	-	-	-
16	Mr Mukka Harish Babu	08	08	Yes	01	Nil	01
17	Mr Surendra Singh Sirohi	08	08	Yes	02	02	Nil
18	Dr Vijay Shankar Madan	08	08	Yes	01	Nil	01
19	Mr Sunil Kumar Kohli (appointed as Director w.e.f. 18.07.2019)	06	06	Yes	01	01	Nil

None of the Non-executive Directors held any Equity shares or convertible instruments during the year 2019-20. None of the Directors had any relationship inter-se during the year 2019-20.

Note: * Directorship in Companies registered under the Companies Act, 2013, excluding Directorships in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Pursuant to Regulation 26 of the Listing Regulations, the Chairmanship/Membership of Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies are considered.

The number of Directorship and Committee positions given above are as notified by the Directors and it is confirmed that none of the Directors of the Company has been a Member of more than ten Committees or acted as Chairman of more than five Committees across all Companies in which he/she is a Director. None of the Directors of the Company serves as Director in more than seven listed Companies and none of the Independent Directors of the Company serves as an Independent Director in more than seven listed Companies. None of the Whole Time Director/Managing Director of the Company serves as Independent Director in more than three listed Companies.

The Company has proper systems to enable the Board to periodically review Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances. The Board reviewed Compliance Reports on half-yearly periodicity.

Based on the declarations received from the Independent Directors, the Board of Directors confirms that the Independent Directors fulfil the criteria of independence specified in the Listing Regulations and that they are Independent of the Management and no Independent Director resigned before expiry of his/her tenure.

Name of other listed entities where Directors of the Company are Directors and category of their Directorship as on 31 March 2020:

Sl. No.	Name of Directors	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr M V Gowtama (DIN: 07628039)	Nil	Not Applicable
2	Mrs Anandi Ramalingam (DIN: 07616518)	Nil	Not Applicable
3	Mr Koshy Alexander (DIN: 07896084)	Nil	Not Applicable
4	Mr Mahesh V (DIN: 08130292)	Nil	Not Applicable
5	Mr Vinay Kumar Katyal (DIN: 08281078)	Nil	Not Applicable
6	Mr Shivakumaran K M (DIN: 08473589)	Nil	Not Applicable
7	Mrs Shikha Gupta (DIN: 08597649)	Nil	Not Applicable
8	Dr. Amit Sahai (DIN: 02188330)	Nil	Not Applicable
9	Ms J Manjula (DIN: 07684528)	Nil	Not Applicable
10	Mr Mukka Harish Babu (DIN: 07937907)	Nil	Not Applicable
11	Mr Surendra Singh Sirohi (DIN: 07595264)	HFCL Limited	Independent Director
12	Dr. Vijay Shankar Madan (DIN: 00806142)	Nil	Not Applicable
13	Mr Sunil Kumar Kohli (DIN: 05321549)	Nil	Not Applicable

Skills / Expertise / Competencies of the Board of Directors

BEL is a Government Company and Directors are appointed/ re-appointed by the President of India, through the Administrative Ministry. The skills/expertise/competencies as required in the context of business(es) & sector(s)pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of the Company is made by the Government as per its own process.

The desirable qualification and experience of the incumbents are as per the requirement of functional areas i.e. Finance, Operations, Technical, Human Resource and Marketing. At the time of recruitment of the Functional Directors, job description, desirable qualification & experience of candidates are sent to the Public Enterprise Selection Board through the administrative Ministry for announcement of vacancy and recruitment of candidates.

Familiarisation Programme for Independent Directors

At the time of induction of a new Independent Director(s), a welcome letter is addressed to Director(s) along with details of duties and responsibilities required to be performed as a Director in addition to the compliances required from him under the Companies Act, 2013, the Listing Regulations and other applicable laws/regulations. The Management of the Company familiarises the newly appointed Director(s) about the Company, its operations, various policies and processes of the Company, various divisions of the Company and their role and responsibilities, the governance and internal control processes and other relevant important information concerning the Company. Directors are also regularly encouraged and sponsored for attending important training programmes relating to Board related practices and orientation programmes etc. conducted by various Institutes of repute. Details of training imparted to Directors are disclosed on the website of the Company at the weblink: http://www.bel-india.in/ContentPage.aspx?MId=17&CId=2505&LId=1&link=2505

Certificate from Company Secretary in Practice

M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority as on 31 March 2020.

Mandatory Committees of the Board of Directors

Audit Committee

The composition of the Audit Committee is in line with Section 177 of Companies Act 2013 (the Act), Regulation 18 of the Listing Regulations, and DPE Guidelines. The Company's Audit Committee consists of three (3) Independent Directors. In addition, the Company's Statutory Auditors, Director (Finance), Director (Bangalore Complex), Director (Other Units) and Head of Internal Audit are also regularly invited to attend the Audit Committee meetings. Chairman of the Audit Committee is an Independent Director. Chairman of the Audit Committee had attended the 65th Annual General Meeting of the Company held on 16 September 2019. The terms of reference of the Audit Committee are as specified in Section 177 of the Companies Act, 2013, Regulation 18 read with Schedule II Part-C of Listing Regulations and DPE Guidelines. The Audit Committee met six (6) times during the year 2019-20 and the gap between any two meetings did not exceed 120 days. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

Some of the important functions performed by the Audit Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference as stated in Schedule II Part C (A) (4) of the Listing Regulations;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of statutory and internal auditors, the adequacy of internal control;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower Mechanism;
- Review the Code of conduct for Prevention of Insider Trading;
- Review the Management Discussion and Analysis of financial condition and results of operations;
- Review the statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Review management letters / letters of internal control weaknesses issued by the statutory auditors;
- Review the internal audit reports relating to internal control weaknesses;
- To review the follow up action on the audit observation of the C&AG audit;
- Carrying out any other function as may be referred to the Committee by the Board.

The Composition of the Audit Committee during the year 2019-20 and details of the Members participation at the meetings are as under:

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the Audit Committee Meetings held on:					
			29 May 2019	29 July 2019	30 August 2019	04 November 2019	30 January 2020	19 February 2020
Mr Mukka Harish Babu	Independent Director	Chairman	✓	✓	✓	✓	✓	✓
Mrs Usha Mathur (ceased to be Member w.e.f 22.12.2019)	Independent Director	-	✓	✓	✓	✓	Not Applicable	Not Applicable
Dr R K Shevgaonkar (ceased to be Member w.e.f 01.12.2019)	Independent Director	-	✓	✓	Leave of Absence	Leave of Absence	Not Applicable	Not Applicable
Mr Surendra Singh Sirohi	Independent Director	Member	✓	✓	✓	✓	✓	✓
Mr Sunil Kumar Kohli (appointed as Member w.e.f 31.12.2019)	Independent Director	Member	Not Applicable	Not Applicable	Not Applicable	Not Applicable	✓	✓

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee is in line with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee met four (4) times during the year 2019-20. The Composition of the Committee during the year 2019-20 and details of the Members participation at the meetings of said committee are as under:

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the Nomination and Remuneration Committee Meeting held on:			
			16 April 2019	28 & 29 November 2019	29 January 2020	20 & 21 February 2020
Mr Surendra S Sirohi	Independent Director	Chairman	✓	✓	✓	✓
Mr M V Gowtama	Chairman & Managing Director	Member	✓	✓	✓	✓
Mr Sharad Shyam Sanghi (ceased to be Member w.e.f 31.12.2019)	Independent Director	-	Leave of Absence	Leave of Absence	Not Applicable	Not Applicable
Dr R K Shevgaonkar (ceased to be Member w.e.f 01.12.2019)	Independent Director	-	✓	✓	Not Applicable	Not Applicable
Mr Mukka Harish Babu (appointed as Member w.e.f 31.12.2019)	Independent Director	Member	Not Applicable	Not Applicable	✓	✓
Dr Vijay Shankar Madan (appointed as Member w.e.f 31.12.2019)	Independent Director	Member	Not Applicable	Not Applicable	✓	✓

Some of the important functions performed by the Committee include:

- Recommending policy to the Board in line with the provisions of Companies Act, 2013, DPE Guidelines and Presidential Directives/Guidelines issued by Government of India from time to time;
- Approval of Performance Related Pay to the employees of the Company;
- Selection of Executive Directors (EDs)/General Managers (GMs) below Board level.

Remuneration Policy/ Performance Evaluation

BEL, being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors (Functional Directors including CMD) are determined by Govt. of India through Public Enterprises Selection Board (PESB) / Search Committee, indicating the terms and conditions of appointment, including the period of appointment, the scale of pay with components such as Basic Pay, Dearness Allowance, Entitlement to Accommodation etc. subject to the relevant rules of the Company. Pay scales of Functional Directors including CMD are governed by Presidential Directives received from the Ministry of Defence.

The Govt. Nominee Directors are appointed (as Ex-officio Director) by Ministry of Defence and they are not entitled to any remuneration / sitting fees.

The Non-Executive Independent Directors are appointed by Government of India and they are entitled to sitting fees for attending the Board/Committee meetings as prescribed by the Board in adherence with the Govt. directives/statutory rules and regulations.

The appointment/remuneration and other matters in respect of Key Managerial Personnel and Senior Management Personnel are governed by the BEL Recruitment Rules and Procedures and subject to the policies and directives that may be issued by the Board of Directors and/or CMD as the case may be from time to time. Pay scales of KMPs and Senior Management Personnel are governed by Presidential Directives received from the Ministry of Defence.

The Independent Directors reviewed the performance of Chairman & Managing Director, Functional Whole-Time Directors, Non-Independent Directors and the Board as a whole in a separate meeting of Independent Directors held on 26 November 2019. An exercise was carried out to evaluate the performance of the Individual Directors including CMD on basis of certain important parameters like level of engagement and contribution, exercising independence of judgement, achievement of objectives and targets, protection of interest of various stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

Remuneration paid to Directors during the financial year 2019-20 is as under:

(Amount in ₹)

Name of the Member(s)	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits and Perquisites	Total
Mr M V Gowtama	Chairman and Managing Director	45,00,092	18,84,339	12,24,620	**76,09,051**
Mr R N Bagdalkar (ceased to be Director w.e.f 30.05.2019)	Director (HR)	6,50,748	13,91,113	1,84,858	**22,26,719**
Mr Nataraj Krishnappa (ceased to be Director w.e.f 30.11.2019)	Director (Other Units)	28,93,750	14,94,810	10,04,957	**53,93,517**
Mrs Anandi Ramalingam	Director (Marketing)	36,49,171	14,78,444	20,07,448	**71,35,063**
Mr Koshy Alexander	Director (Finance)	39,08,391	13,63,710	13,71,084	**66,43,185**
Mr. Mahesh V	Director (R&D)	38,26,347	12,70,450	10,74,424	**61,71,221**
Mr. Vinay Kumar Katyal	Director (Bangalore Complex)	32,50,594	10,08,134	17,77,708	**60,36,436**
Mr Shivakumaran K M (appointed as Directors w.e.f 11.06.2019)	Director (HR)	25,72,973	7,89,897	16,07,284	**49,70,154**
Mrs Shikha Gupta (appointed as Director w.e.f 01.12.2019)	Director (Other Units)	12,70,656	7,89,801	9,70,422	**30,30,879**

Part-time Official (Government / Non-executive) Directors are not paid any remuneration or sitting fees for attending Board/ Committee meetings. Part-time Independent (Non-executive) Directors are paid sitting fees of ₹ 20,000 per meeting of the Board/Board Committee attended. Details of sitting fees paid to the Independent Directors for attending Board and Committee meetings during the year 2019-20 are given below:

Name of the Independent Directors	Amount in ₹
Mrs Usha Mathur	2,40,000
Dr Bhaskar Ramamurthi	1,40,000
Dr R K Shevgaonkar	2,40,000
Mr Sharad Shyam Shanghi	40,000
Mr Mukka Harish Babu	4,20,000
Mr Surendra Singh Sirohi	4,20,000
Dr Vijay Shankar Madan	2,40,000
Mr Sunil Kumar Kohli	2,40,000
Total	**19,80,000**

The Company does not pay any commission to its Directors. The Company has not issued any stock options to its Directors. Apart from receiving sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-executive Directors had any pecuniary relationship or transactions with the Company during the year 2019-20.

Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee is in line with section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Composition of Stakeholders' Relationship Committee during the year 2019-20 and and details of the Members participation at the Meetings of said committee are as under:

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the Stakeholder Relationship Committee Meeting held on 29 January 2020
Mr Vijay Shankar Madan (appointed as Chairman w.e.f 31.12.2019)	Independent Director	Chairman	✓
Mr Sharad Shyam Sanghi (ceased to be Chairman & Member w.e.f 31.12.2019)	Independent Director	-	Not Applicable
Mr R N Bagdalkar (ceased to be Member w.e.f 30.05.2019)	Director (HR)	-	Not Applicable
Mr Nataraj Krishnappa (ceased to be Member w.e.f 30.11.2019)	Director (OU)	-	Not Applicable
Mr K M Shivakumaran (appointed as a Member w.e.f. 11.06.2019)	Director (HR)	Member	✓
Mr Koshy Alexander (appointed as a Member w.e.f. 31.12.2019)	Director (Finance)	Member	✓
Mrs Shikha Gupta (Appointed as a Member w.e.f. 01.12.2019)	Director (OU)	Member	✓

The terms of reference of the Stakeholder Relationship Committee are as specified in Section 178 of the Act and Regulation 20 read with Part D Schedule II of the Listing Regulations.

Complaints received from the shareholders are attended promptly as and when they are received. Grievances from shareholders, mainly relating to dividend payment and Annual Report were received and resolved during the year. No grievance was pending as on 31 March 2020. Following are the details of investors' complaints during 2019-20 (SEBI SCORES):

No. Complaints Received	No. Complaints Resolved	No. Complaints Pending
03	03	Nil

Compliance Officer

Mr S Sreenivas is the Company Secretary & Compliance Officer. His contact details are:

Mr S Sreenivas
Company Secretary
Bharat Electronics Limited
Regd. & Corp. Office, Outer Ring Road,
Nagavara, Bengaluru – 560045
Telephone: 080-25039266,
Tel Fax: 080 25039266,
E-mail: secretary@bel.co.in

Corporate Social Responsibility Committee

In pursuant to the provisions of section 135 of the Companies Act, 2013, Rules made thereunder and DPE Guidelines, Corporate Social Responsibility (CSR) Committee has been constituted.

The salient terms of reference of th e CSR Committee include reviewing of the existing CSR & Sustainability Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified under Schedule-VII of the Companies Act, 2013 and DPE Guidelines as amended from time to time. Some of the important terms of reference of the Committee are as follows:

- Formulating, reviewing and recommending to the Board, Corporate Social Responsibility and Sustainability Policy and the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the activities undertaken;
- Reviewing the performance of the Company in the area of Corporate Social Responsibility;
- Providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- Monitoring Corporate Social Responsibility Policy of the Company from time to time.

The composition of the CSR Committee during the year 2019-20 and the details of Members participation at the Meetings of the said Committee are as under:

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the CSR Meeting held on:	
			18 July 2019	29 January 2020
M V Gowtama	Chairman and Managing Director	Chairman	✓	✓
Mr Nataraj Krishnappa (Ceased to be Member w.e.f 30.11.2019)	Director (Other Units)	-	✓	Not Applicable
Mr R N Bagdalkar (Ceased to be Member w.e.f 30.05.2019)	Director (HR)	-	Not Appli-cable	Not Applicable
Mrs Usha Mathur (Ceased to be Member w.e.f 22.12.2019)	Indepe-ndent Director	-	✓	Not Applicable
Mr Koshy Alexander	Director (Finance)	Member	✓	✓
Mr Surendra Singh Sirohi	Indepe-ndent Director	Member	✓	✓

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the CSR Meeting held on:	
			18 July 2019	29 January 2020
Mr Shivakumaran K M (appointed as Member w.e.f 11.06.2019)	Director (HR)	Member	✓	✓
Mr Shikha Gupta (appointed as Member w.e.f 01.12.2019)	Director (Other Units)	Member	Not Appli-cable	✓
Mr Mukka Harish Babu (appointed as Member w.e.f 31.12.2019)	Indepe-ndent Director	Member	Not Appli-cable	✓

The Company has adopted a Corporate Social Responsibility & Sustainability Policy indicating the activities to be undertaken by the Company. During the year, the Company has conducted various CSR programs in the areas of promoting education and environmental sustainability.

Risk Management Committee

Pursuant to the requirements of Regulation 21 of the Listing Regulations, Board of Directors has constituted Risk Management Committee with majority of Members from Board of Directors. The Board of Directors reviews and monitors the status of Risk Management through the Risk Management Committee, which examines the risks identified by internal Corporate Risk Management Committee, assesses the current status of Risk Management in the Company, monitors and reviews the implementation and effectiveness of the risk mitigation measures. The Risk Management Policy is posted on the Company's website www.bel-india.in. A write up on Risk Management Procedure forms part of the Management Discussion and Analysis Report.

The composition of the Risk Management Committee during the year 2019-20 and the details of Members' participation at the Meetings of the said Committee are as under:

Name of the Member(s)	Category	Position Held as on 31 March 2020	Attendance at the RMC Meeting held on 17 October 2019
Mrs Anandi Ramalingam (appointed as Chairperson w.e.f. 31.12.2019)	Director (Marketing)	Chairman	✓
Mr Nataraj Krishnappa (Ceased to be a Chairman & Member w.e.f. 30.11.2019)	Director (Other Units)	-	✓
Mr Koshy Alexander	Director (Finance)	Member	✓
Mr Vinay Kumar Katyal	Director (Bangalore Complex)	Member	✓
Mrs Shikha Gupta (appointed as Member w.e.f. 01.12.2019)	Director (Other Units)	Member	Not Applicable
Mrs Hemalatha K	GM (Strategic Planning)	Member	✓

Independent Directors' Meeting

During the year 2019-20, the Independent Directors met on 26 November 2019, inter alia, to:

i. review the performance of Non-independent Directors and the Board as whole;

ii. review the performance of Chairman of the Company, taking into account, the views of Executive and Non-executive Directors;

iii. assess the quality, contents and timelines of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors of the Company except Dr Bhaskar Ramamurthi and Mr Sharad Sanghi were present at the said meeting.

Other Non-Mandatory Committees

The following Sub Committees of the Board have been constituted:

Research & Development Committee

R&D Committee comprising the Chairman & Managing Director, one Independent Director, Director (Finance) and Director (R&D) has been constituted to consider and approve major Research, Development and Engineering proposals.

Capital Investment Committee

Capital Investment Committee comprising two Independent Directors, Director (Finance), Director (Bangalore Complex) and Director (Other Units) has been constituted to consider and approve major capital investment proposals.

Share Transfer Committee

Share Transfer Committee comprising of Chairman & Managing Director, Director (Finance) and Director (Other Units) has been constituted to consider and approve share transfer, transmission, duplicate certificates etc.

The Company Secretary is the Secretary to all the Committees of the Board referred to above.

Code of Conduct

The Board of Directors of the Company has laid down a Code of Business Conduct and Ethics for all Board Members, KMPs and Senior Management of the Company pursuant to Regulation 17(5) of the Listing Regulations and DPE Guidelines. The Code of Business Conduct and Ethics has been posted on the Company's website www.bel-india.in. All Board Members, KMPs and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics as on 31 March 2020. A declaration to this effect signed by the Chairman & Managing Director is attached to this Report.

Code for Prevention of Insider Trading and Fair Disclosure

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Company has put in place a revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider and Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the Code) duly approved by the Board of Directors. This Code is applicable to all the designated persons including their immediate relatives who are privy to price sensitive information and any other connected persons as defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary is responsible for implementation of the code. The Code has been posted in the Company's website www.bel-india.in.

Subsidiary Companies

The Company does not have any material unlisted Indian Subsidiary Company as on 31 March 2020. The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Audited Annual Financial Statements including quarterly results of the Subsidiaries and investments made by the Subsidiaries. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company. A policy on Material Subsidiaries has been formulated and has been posted in the Company's website at http://www.bel-india.in/ContentPage aspx?MId=17&C Id=527&LId=1&link=527

CEO/CFO Certification

As required under the Listing Regulations and DPE Guidelines, the CEO and CFO certificate is attached to this Report.

Presidential Directives and Guidelines

The Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time. The pay revision of Executives and Non-Unionized Supervisory Staff fell due on 01.01.2017. The Department of Public Enterprises (DPE) issued guidelines on pay revision

of Board level and below Board level Executives and Non-Unionized Supervisors vide DPE OMs dated 03.08.2017, 04.08.2017 and 07.09.2017.

Subsequently, approval for pay revision of Board level and below Board level Executives and Non-Unionized Supervisors w.e.f 01.01.2017 was sought from Nomination and Remuneration Committee and Board. Consequent to approval of the Board, the proposal was forwarded to Administrative Ministry for issue of Presidential Directive as per DPE guidelines. Accordingly, Ministry issued Presidential Directive vide letter dated 10.11.2017. Consequent to the issue of Presidential Directive, pay revision was implemented w.e.f 01.01.2017.

Reconciliation of Share Capital Audit

In pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Company obtains a Reconciliation of Share Capital Audit Report (RSCAR) from a Practising Company Secretary every quarter to reconcile the total admitted capital with the National Securities Depository Ltd. (NSDL), Central Depository Services (India) Ltd. (CDSL) and physical holding with the total issued & listed capital. The RSCAR confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The RSCAR is forwarded to the Stock Exchanges (BSE & NSE) quarterly.

DPE Grading

The DPE guidelines on Corporate Governance for CPSEs provide that the CPSEs would be graded on the basis of their compliance with the guidelines. DPE has graded BEL as "Excellent" for the year 2018-19.

Transfer to Investor Education and Protection Fund Account

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') as amended, mandates that Companies transfer dividend that has remained unclaimed/unpaid for a period of seven years from the unpaid dividend account to the IEPF. Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF.

During the year 2019-20, the Company transferred to IEPF an amount of ₹ 1,25,290.80 from the Unpaid Dividend Account. The unclaimed/ unpaid final dividend for the year 2012-13 and interim dividend for the year 2013-14 are due for transfer to IEPF during 2020-21. The amount transferred during the year to IEPF also includes bank credits received due to cancellation of expired warrants/DDs in accordance with the SEBI circular dated 20 April 2018 on "Strengthening the Guidelines and Raising Industry Standards for RTA, Issuer Companies and Banker to an issue". The Company has posted on its website www.bel-india.in in a separate page titled "Investors-" the details of unclaimed dividend and guidance information for claiming unpaid dividend. Shareholders are requested to make use of the claim form provided there to claim unpaid/ unclaimed dividend. Details of shares transferred to IEPF have been uploaded on the website of IEPF as well as the Company.

General Body Meetings

(a) Location and time of last three AGMs are as under: The details of last three Annual General Meetings are as follows:

Year	Venue	Date & Time
2016-17	The Kalinga Hall, Hotel Lalit Ashok, Kumar Krupa High Grounds, Bengaluru - 560001	20 September 2017 at 03:30 pm
2017-18	The Kalinga Hall, Hotel Lalit Ashok, Kumar Krupa High Grounds, Bengaluru - 560001	25 September 2018 at 03:30 pm
2018-19	The Kalinga Hall, Hotel Lalit Ashok, Kumar Krupa High Grounds, Bengaluru - 560001	16 September 2019 at 03:30 pm

(b) Special resolutions passed in the previous three AGMs: Special resolution(s) for alteration of the Object Clause in the Memorandum of Association was passed in the 64th AGM held on 25 September 2018 and 65th AGM held on 16 September 2019.

(c) Special Resolution passed last year through postal ballot-details of voting pattern: No special resolution was passed through postal ballot during 2019-20.

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

(e) Special resolution is proposed to be conducted through postal ballot: At present, there is no proposal to pass any special resolution through Postal Ballot.

(f) Procedure for Postal Ballot: Not Applicable.

Means of Communication

The quarterly (unaudited) and annual (audited) financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of the Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in the Economic Times (English), Prajavani & Vijay Karnataka (Kannada) and Janasatta & Business Standard (Hindi) newspapers and posted on the Company's website at www.bel-india.in. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., secretary@bel.co.in.

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company or other price sensitive information. The official media releases and presentations made to Institutional Investors/Analysts are posted on the Company's website.

General Information for Shareholders

Annual General Meeting

Date : 30 September 2020

Time : 10:00 a.m. (IST)

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 05 May 2020 and as such there is no requirement to have venue for the AGM. For more details please refer to the Notice of 66th AGM of the Company.

Financial Calendar 2020-21

Financial Year : 1 April 2020 to 31 March 2021

First quarter results : By end of July 2020

Second quarter results : By end of October 2020

Third quarter results : By end of January 2021

Annual Audited results : By end of May 2021

Annual General Meeting : August/September 2021

Book Closure

From 17 September 2020 to 20 September 2020 (both days inclusive).

Dividend Payment Date

Dividend will be paid within 30 days from the date of declaration.

Listing on Stock Exchanges

BEL's shares are currently listed on the following Stock Exchanges:

(1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

(2) National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051.

The Company has paid listing fees for the financial years 2019-20 and 2020-21 to both the Stock Exchanges(BSE & NSE).

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

Stock Exchange	Stock Code
BSE Limited -	500049
National Stock Exchange of India Limited -	BEL
ISIN -	INE263A01024
CIN -	L32309KA1954GOI000787

Custody Fees to Depositories

The Company has paid annual custody fees for the financial years 2019-20 & 2020-21 to both the Depositories, viz, NSDL and CDSL.

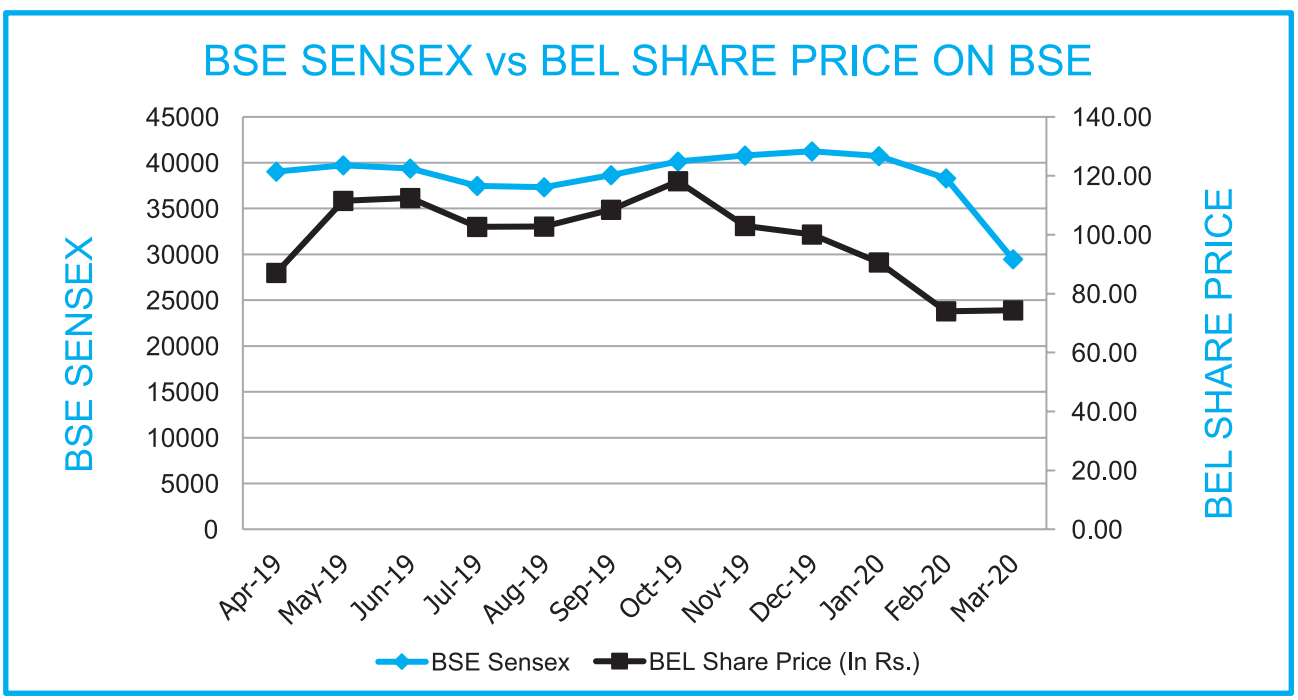
Market Price Data

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

BEL Share Price on BSE vis-a-vis BSE sensex from April, 2019 to March, 2020.

Month	BSE Sensex Close	BEL Share Price			No of Shares Traded	Turnover (₹ in lakhs)
		High (In ₹)	Low (In ₹)	Close (In ₹)		
April 2019	39,032	102.40	85.40	87.10	1,32,78,290	12,630.42
May 2019	39,714	117.45	85.65	111.55	1,77,60,936	18,356.32
June 2019	39,395	116.60	104.90	112.45	1,02,04,261	11,310.36
July 2019	37,481	115.45	92.20	102.65	1,47,98,756	15,135.39
August 2019	37,333	106.35	91.25	102.85	1,28,43,617	12,544.89
September 2019	38,667	115.60	100.50	108.55	1,73,74,973	18,893.21
October 2019	40,129	122.00	103.60	118.15	1,08,16,643	12,020.14
November 2019	40,794	122.15	102.30	103.05	1,15,07,853	12,976.04
December 2019	41,254	104.95	96.70	100.10	65,50,598	6,600.48
January 2020	40,723	109.00	90.00	90.65	1,15,43,676	11,520.53
February 2020	38,297	91.60	72.95	74.00	89,57,105	7,495.38
March 2020	29,468	80.40	56.10	74.35	1,15,89,837	8,070.92

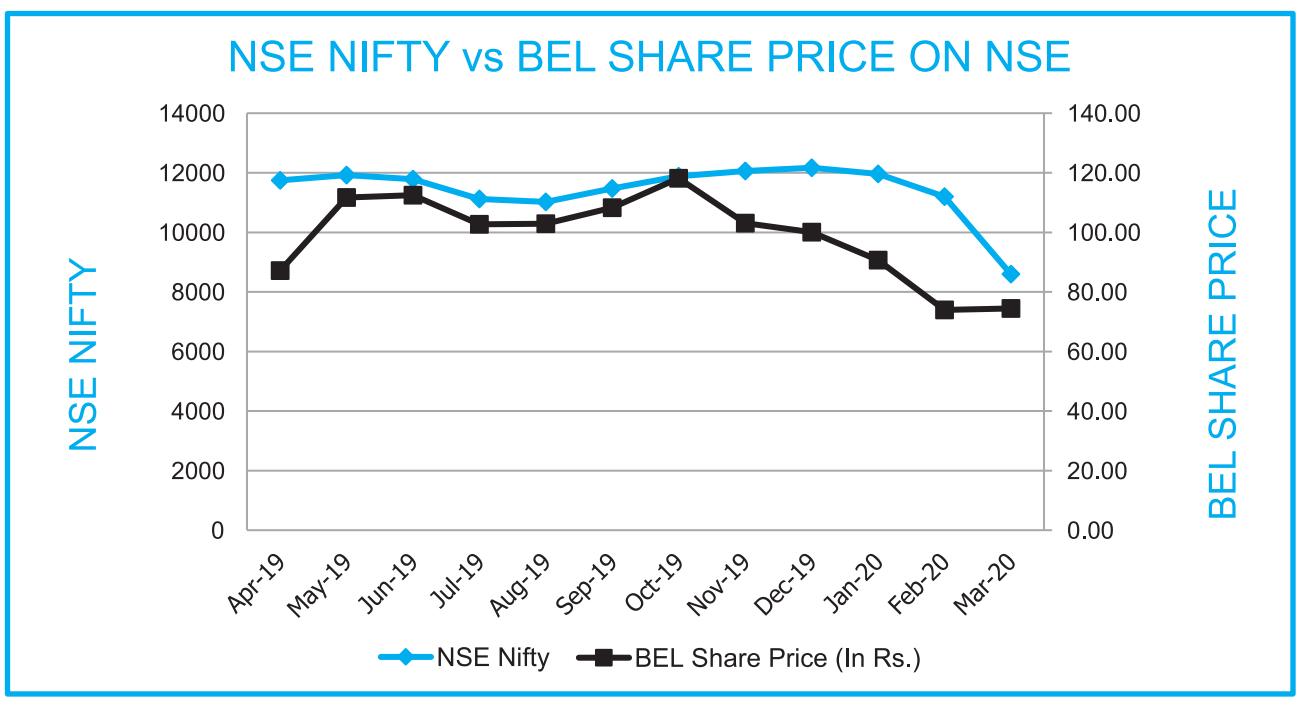
A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX during the year 2019-20 is presented in the following graph:



BEL Share Price on NSE vis-a-vis NSE Nifty from April, 2019 to March, 2020.

Month	NSE Nifty Close	BEL Share Price			No of Shares Traded	Turnover (₹ in lakhs)
		High (In ₹)	Low (In ₹)	Close (In ₹)		
April 2019	11,748	102.20	85.30	87.15	22,25,48,021	2,10,365.33
May 2019	11,923	117.75	85.60	111.65	27,71,04,428	2,85,347.38
June 2019	11,789	116.60	104.95	112.50	18,34,18,240	2,03,830.54
July 2019	11,118	115.45	92.15	102.70	30,42,42,102	3,11,010.93
August 2019	11,023	106.35	91.20	102.90	22,94,15,901	2,24,202.96
September 2019	11,474	115.65	100.40	108.30	22,10,57,883	2,40,184.35
October 2019	11,877	122.10	103.50	118.15	17,63,26,369	1,98,384.66
November 2019	12,056	122.10	102.25	103.10	17,21,29,968	1,90,072.39
December 2019	12,168	105.00	96.55	100.05	14,47,76,100	1,45,299.43
January 2020	11,962	109.00	89.90	90.65	28,69,88,510	2,85,312.37
February 2020	11,202	91.70	72.85	73.95	25,71,39,760	2,15,759.33
March 2020	8,598	80.15	56.00	74.45	32,13,47,170	2,24,034.17

A comparison of closing quotation of the Company's share price on NSE with the closing position of NSE NIFTY during the year 2019-20 is presented in the following graph:



Registrar and Share Transfer Agent

Integrated Registry Management Services Pvt. Ltd., Bengaluru, a SEBI registered Category-I Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent (RTA) [SEBI Reg. No: INR000000544] The RTA's address is given below to forward all share transfer/ transmission/ split/ consolidation/ issue of duplicate certificates/ change of address requests/dematerialisation/ rematerialisation requests and related matters as well as all dividend related queries and complaints etc.

Address and contact details of Company's RTA: Integrated Registry Management Services Pvt. Ltd., No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru-560003. Telephone: 080-23460815/16/17/18. Fax: 080 23460819. E-mail: irg@integratedindia.in

Share Transfer System

Share transactions are simpler and faster in electronics form. After a confirmation of sale / purchase transaction from the broker, shareholders should approach the Depository Participant with a request to debit /credit the account for the transaction. The depository participants will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company or Company's RTA to register the transfer.

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

Category-wise Shareholders as on 31 March 2020

Sr.	Category	No. of Share-holders	No. of shares	% Holding
1	Central Government	1	1,24,59,73,978	51.14
2	Mutual Funds/ UTI	138	61,17,84,589	25.11
3	Financial Institutions/ Banks	9	90,64,397	0.37
4	Alternative Investments Funds	2	72,000	0.00
5	Insurance Companies	43	11,51,31,839	4.73
6	Foreign Portfolio Investors	210	26,08,90,412	10.71
7	Bodies Corporate	1,311	2,97,21,981	1.22
8	Individuals	2,78,461	13,74,91,751	5.64
9	Trusts	46	1,00,03,511	0.41
10	NRIs	6,026	92,93,446	0.38
11	Foreign Individuals	1	506	0.00
12	Clearing Members	380	71,54,656	0.29
13	LLP	2	257	0.00
14	IEPF	1	9,320	0.00
15	Others Category	1	300	0.00
	Total	**2,86,632**	**2,43,65,92,943**	**100.00**

Top 10 Shareholders as on 31 March 2020

Sr.	Name of the shareholder	No. of Shares	% Holding
1	Reliance Capital Trustee Company Limited A/C Reliance Small Cap Fund	11,91,98,287	4.89
2	HDFC Trustee Company Ltd. - A/C HDFC Hybrid Equity	11,84,41,457	4.86
3	Kotak Balanced Advantage Fund	7,97,37,270	3.27
4	Mirae Asset Tax Saver Fund	7,93,18,234	3.25
5	Life Insurance Corporation of India	6,39,96,584	2.63
6	Aditya Birla Sun Life Trustee Private Limited A/C	5,49,50,589	2.25

Sr.	Name of the shareholder	No. of Shares	% Holding
7	ICICI Prudential Manufacture in India Fund	4,43,47,127	1.82
8	SBI Capital Protection Oriented Fund - Series A (Plan 1)	3,52,39,315	1.45
9	Franklin Templeton Mutual Fund A/C Franklin India	2,32,23,665	0.95
10	HDFC Life Insurance Company Limited -Shareholders Solvency Margin Account	2,10,07,208	0.86

Distribution of Shareholding as on 31 March 2020

No. of Equity Shares held	No. of Share holders	%	No. of Shares	%
Upto 500	2,33,706	81.54	3,08,47,925	1.27
501 - 1000	25,431	8.87	1,95,25,458	0.80
1001 - 2000	15,961	5.57	2,27,95,322	0.94
2001 - 3000	4,009	1.40	1,00,59,842	0.41
3001 - 4000	2,256	0.79	78,54,976	0.32
4001 - 5000	1,210	0.42	56,11,688	0.23
5001 - 10,000	2,205	0.77	1,56,04,109	0.64
10001 and Above	1,854	0.65	2,32,42,93,623	95.39
Total	**2,86,632**	**100.00**	**2,43,65,92,943**	**100.00**

Dematerialization of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. As on 31 March 2020, 99.99% of total equity shares of the Company are held by the investors in dematerialized form with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE263A01024.

The Company's shares are very liquid and are actively traded in BSE Ltd. and National Stock exchange of India Ltd. Relevant data of turnover for the financial year 2019-20 is given below:

Particulars	BSE	NSE	Total
No. of shares traded	14,72,26,545	279,64,94,452	294,37,20,997
Value (₹ in lakhs)	1,47,554	27,33,804	28,81,358

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: The details are disclosed in Note No.34 of Notes to Accounts in the Annual Report.

Plant Locations

1. Jalahalli Post,
   Bengaluru – 560013 (Karnataka).
2. Site IV, Sahibabad Industrial Area,
   Bharat Nagar Post,
   Ghaziabad – 201010 (Uttar Pradesh).
3. Plot No.405, Industrial Area,
   Phase III, Panchkula – 134113 (Haryana).
4. Balbhadrapur, Dist.
   Pauri Garhwal, Kotdwara – 246149,
   (Uttarakhand).
5. Plot No.L-1, M.I.D.C. Industrial Area,
   Navi Mumbai – 410208.
6. N.D.A. Road, Pashan,
   Pune – 411021 (Maharashtra).
7. Industrial Estate, Nacharam,
   Hyderabad – 500076 (Telangana).
8. Post Box No.26, Ravindranath Tagore Road,
   Machilipatnam – 521001 (Andhra Pradesh)
9. Post Box No. 981, Nandambakkam,
   Chennai – 600089 (Tamil Nadu)

Address for Correspondence

Bharat Electronics Limited
CIN: L32309KA1954GOI000787
Registered Office and Corporate Office,
Outer Ring Road, Nagavara, Bengaluru – 560 045
Telephone: (080) 25039300
Fax: (080) 25039233.
E-mail: secretary@bel.co.in
Website: www.bel-india.in

Credit Rating

ICRA has reaffirmed the following credit ratings of the Company for 2020-21:

(i) Long-term rating of [ICRA]AAA (pronounced ICRA triple A) to ₹ 500 Crores fund based limits of credit, fund based limit (term Loan) of ₹ 100 Crores and for additional fund based limit of ₹ 200 Crores (Unallocated).

(ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 3,500 Crores non-fund based limits of credit.

(iii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 5 Crores Commercial Papers (CP).

The outlook on the long-term rating is 'Stable'. These ratings indicate the highest credit quality in the long and short-term. The instruments rated in these categories carry the lowest credit risk in the long and short-term. These ratings (i) & (ii) are valid till 10 February 2021 and (iii) are valid till 9 February 2021.

Other Disclosures:

(a) The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. Nonetheless, transactions with related parties have been disclosed in Note No.31 of Notes to Accounts in the Annual Report. The Board's approved policy for related party transactions has been placed on the Company's website and can be accessed through http://www.bel-india.in/ContentPage.aspx?MId=17&CId=527&LId=1&link=527

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

NSE & BSE have imposed fine of ₹ 536,900 for the quarter ended 30 June 2019 and ₹ 3,59,900 for the quarter ended 31 December 2019 (including GST) for non-appointment of adequate number of Independent Directors including one Independent Woman Director as per the requirements of the Listing Regulations and the same was placed before the Board. The Board suggested that NSE & BSE should be informed about the procedure for appointment of Directors followed by the Company as per DPE Guidelines, being a Government Company the Independent Directors are appointed by the administrative Ministry. Hence, the penalty levied to BEL by NSE & BSE can be excused. Accordingly, reply was sent to BSE & NSE and no fine was paid. NSE vide its letter no.NSE/LIST/SOP/0449 dated 22 June 2020 waived off the fine levied on the company.

(c) The Company has established vigil mechanism and adopted Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics policy. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company www.bel-india.in.

(d) During the year 2019-20, the Board of Directors has accepted all the recommendations of its Committees which were mandatorily required.

(e) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified in the Regulation 32 (7A) of the Listing Regulations.

(f) Details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/

network entity of which the statutory auditor is a part during the year are given below:

Particulars	Amount (₹ in Lakhs)
Audit Fees	21
Tax Audit Fees	4
Other Services	6
Reimbursement of expenses	10
Total	**41**

(g) The details of complaints filed, disposed off and pending during the financial year pertaining to sexual harassment are provided in the Business Responsibility Report Annexed to Board's Report.

(h) No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees/ ex-employees, towards fulfilling its Corporate Social Responsibility, were debited in books of accounts.

(i) Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits and sitting fees as permissible under the rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.

(j) Administrative and office expenses as a percentage of total expenses and reasons for increase, if any:

Administrative and office expenses were 3.07% of the total expenses for the year 2019-20 as against 3.60% in the previous year.

Details of Non- Compliances

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company had appointed adequate number of Independent Directors as per the Companies Act, 2013. However, the Company is yet to appoint the adequate number of Independent Directors including one Women Independent Director as per the requirements of the Listing Regulations. It is informed that all the vacancies were notified to Govt. for filling up. Being a Govt. Company, all Directors on the Company's Board are appointed by the Govt. of India and the selection process & appointment, which involve various Ministries and approval by the ACC and is beyond the control of the Company.

Compliance with Discretionary Non-Mandatory Provisions

The status on the compliance with the non-mandatory recommendations in the Listing Regulations is as under:

- The Company has the position of Chairman & Managing Director (Executive) & there is no Non- Executive Chairman.
- Process of communicating with shareholders is very robust and the procedure has been explained under "Means of Communication".
- The financial statements of the Company are disclosed with unmodified audit opinion.
- The Head of Internal Audit reports directly to the Chairman & Managing Director and is a permanent invitee to the meetings of the Audit Committee.

Compliance

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

Declaration of Compliance with the Code of Business Conduct and Ethics

Pursuant to the relevant provisions under SEBI (LODR) Regulations, 2015 and the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members, KMPs & Senior Management of Bharat Electronics Limited, for the year ended 31 March 2020.

For and on behalf of the Board

Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Certificate by CEO & CFO

for the Purpose Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as Required Under DPE Guidelines On Corporate Governance

To
The Board of Directors
Bharat Electronics Limited

We hereby certify that:

(a) We have reviewed the Standalone Financial Results for the period ended 31 March 2020 and that to the best of our knowledge and belief:

  (i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These results together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Management, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Management:

  (i) Any significant changes in internal control over financial reporting during the period;

  (ii) Any significant changes in accounting policies during the period and;

  (iii) Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Koshy Alexander
Director (Finance) & CFO

M V Gowtama
Chairman & Managing Director

Bengaluru
29 June 2020

Auditor's Certificate on Corporate Governance

The Members of Bharat Electronics Limited,

We have examined the compliance of conditions of Corporate Governance by Bharat Electronics Limited ('the Company'), for the year ended on 31 March 2020, as per the Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises.

Management Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. The responsibility includes the design, implementation and maintenance of internal controls and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors Responsibility

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

We have carried out an examination of the relevant records of the Company, in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations as applicable. However, the Company is yet to appoint the adequate number of Independent Directors, including one Independent Woman Director which results in non-compliance of Regulation 17(1)(b) and Provisio to Regulation 17(1)(a) respectively. It is informed that the appointment of Directors is done by Government of India and filling up of vacancies of the said Independent Directors is also pending with the appointing authority namely Government of India.

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

Restrictions on use

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

For Suri & Co.,
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No. 223118
UDIN: 20223118AAAABM4829

Bengaluru
29 June 2020

Annexure-7

SUSTAINABILITY REPORT

Your Company is committed to achieve the economic, ecological and social responsibility objectives of sustainable development through its varied business operations and activities in a planned way by proactively undertaking Environment Management and Sustainable Development programmes. It has over the years acquired enough in-house expertise in the areas of Resource Management and Sustainable Development, including Water Management, Waste Management, Energy Conservation, use of Non-Conventional Energy like Wind Energy, Solar Energy, etc. The Company strives to build on this expertise and further promotes sustainable development initiatives in its business operations and activities. The Company has formulated a Policy towards Sustainable Development to fulfill this objective and also keeping in view the requirement under the Guidelines issued by Government of India, Department of Public Enterprises (DPE). BEL's Sustainable Development Policy are posted on the website of the Company www.bel-india.in

An overview of the Company's Environment Management and Sustainable Development efforts is provided in the following paragraphs.

Environment Management

Bharat Electronics Limited (BEL) has been systematically integrating sustainability into its operations through best practices. We are looking for sustainable development and are committed to a clean and green environment. All BEL units are committed to environmentally friendly working practices and firmly believe that environmental sustainability leads to the design of economically viable and reliable products. BEL sets targets in accordance with the DPE Guidelines, further approaches to adopting breakthrough technology to improve the environmental performance of products from design to disposal. Conservation of natural resources such as rainwater collection, energy saving and waste reduction are practiced in all BEL units. BEL looks beyond obvious opportunities available for improvising the performance against environmental commitments.

Cleaner Technology

Concepts of cleaner technologies that prevent generation of pollution are practiced in the production process itself. Quest for continual improvement in introduction of cleaner technologies in electronic manufacturing processes are always on. These efforts have largely reduced pollutant generation. Our Research and Development Departments are always on the lookout for environment friendly components and processes. Corporate standards have published several process guidelines for environment friendly materials, components and manufacturing processes that are moving into design across the Company. Corporate standards have been regularly reviewed, standardised and introduced many RoHS (Restriction of Certain Hazardous Substances) items that comply with European and other International Guidelines. In continuing efforts from previous years, 44 new RoHS-compliant standards have been introduced and 88 standards have been revised covering areas such as electronics / mechanical components and raw materials. In the area of electronic / electrical / mechanical components and raw materials, 14 process standards (new and revision) have been published with clause addressing guidelines in the safety and environmental aspect. A cumulative total of 606 RoHS compliant standards have been introduced in the areas of electronic / electrical / mechanical components and raw materials.

BEL understands that pollution prevention begins at source. In view of this, several improvements and adjustments have been made to the existing BEL processes. Many RoHS-compliant processes have been introduced in PCB manufacturing and metal finishing processes. Few of them to mention are low-smoke halogen cables, low VOC (Poly urethane) finishing operations, Trivalent Chromium based Chromate Conversion coating. The technical series document was published on replacement of cadmium plating compliant with RoHS for fasteners and screws. This helps spread awareness and adhere to RoHS-compliant alternatives among various D&E and Quality engineers throughout BEL.

Sustainable Development Initiatives

BEL has established a systematic approach for conservation of natural resources. Major focus revolves around saving power, water and enhancing greenery and other several initiatives have been taken in this regard. Wind generation power plants of total capacity 13.9 MW are installed at Davanagere and Hassan, Karnataka state for captive consumption, along with

3,340 kWp Grid connect solar PV power plants at roof top of various buildings of all BEL Units. The solar power plant contributed about 6.83% of energy consumption of all Units of BEL. Overall renewable energy contribution for the entire Company is about 53%. Generation of renewable energy (Green Energy) through wind and solar reduces the release of Green House Gases into the atmosphere.

During the year 2019-20, about 247.8 Lakh units of electrical energy was wheeled from wind energy power plants installed at Davanagare and Hassan, Karnataka state for captive consumption and CO_2 emission avoided is 23,102 metric ton. BEL has taken up sustainable development projects in the areas of Energy efficient retrofit LED lights, DALI (Digitally Addressable Lighting Interface) Lighting Control System, Sky Light Pipe for day light harvesting, reducing carbon footprint and water footprint. Incorporation of Green building concept have been introduced in all new buildings and all future buildings are going to meet Green Rating for Integrated Habitat Assessment (GRIHA) rating compliance.

Emissions to Air

Air emissions from process are controlled through appropriate air pollution control equipment. The paint booth and plating baths are operated at a slight vacuum pressure to suck air emissions from these processes. Wet paint booths and wet scrubbers are used to treat air emissions before emitting gaseous emissions. The emission results are within the discharge standards of the Pollution Control Board. These results are evidenced by ambient air quality measured at various locations in the factory. In addition to air pollution control equipment provided for plating bath, suction filter are also provided at work station suck solders fume. All operations are maintained efficiently to prevent air pollution.

Water Pollution

Waste water generated during the manufacturing process is separated at the source itself and adequate treatment is given to meet the pollution control standards. This isolated treatment is very specific to the nature of the waste water produced and results in effective detoxification with less chemical consumption. BEL has taken a step forward to treat wastewater to meet reusable standards and is recycled for production purposes. Similarly, the domestic waste water produced is treated and recycled for horticultural purposes. Dual plumbing system is part of design for all new building. Recently inaugurated 5-star GRIHA rated BEL Academy for Excellence and C-type residential quarters are provided with dual plumbing system. In addition to reuse of treated sewage, BEL-Bangalore Complex provides 1 MLD with tertiary treated Bangalore Water Supply and Sewerage Board (BWSSB) for horticultural applications, avoiding the use of 1 MLD fresh water. Another noble project began to clean the public sewer of 10 MLD and rejuvenate the local Bengaluru Lake has commenced. 2 MLD of this will be used for BEL gardening and other applications that result in huge conservation of natural resources and groundwater.

Hazardous Waste Management System

The principle of reduction, re-use and recycling is observed when handling hazardous waste. Hazardous waste production has been reduced at the process level by introducing suitable chemicals and processes that create less hazardous sludge in the wastewater detoxification process and adopting cleaner technology. The use of sodium hydrides, sodium hypochlorite and sodium metabisulphite instead of lime, bleaching powder and ferrous sulfate helps to reduce the amount of hazardous sludge. In addition, the introduction of cyanide-free zinc-plating and coppering processes has helped reduce hazardous waste production. The hazardous waste generated is treated scientifically. BEL has set up a system for the safe handling / handling of hazardous waste by creating an exclusive, well-protected site for the safe storage of hazardous waste. BEL has tied up with the State Pollution Control Board, "Treatment, Storage & Disposal Facility" operators for disposal of landfillable solid hazardous waste. Recyclable wastes are handed over to Pollution Control Board authorised agencies for scientific processing and recycling. This system effectively prevents pollution caused by hazardous waste.

E- Waste Management

E-waste generated during the manufacturing of products is handed over to Pollution Control Board authorised agencies for scientific processing, recovery and recycling as a manufacturer. End of life E-wastes like computer and other electronics items are handed over to Pollution Control Board authorised agencies for scientific processing, recovery and recycling. End of life E-watste product like Electronic Voting Machines are collected back as extended producer responsibility. After dismantling the product, E-wastes are channelized to Pollution Control Board authorised agencies for scientific processing and recycling. Users of Electronics products are provided with handling and disposal guidelines

for safe disposal of E-waste after end of use. Efforts are being made to bring down the hazardous component in electronic products through introduction of as many as possible RoHS compliant components.

Biomedical Waste

Biomedical wastes generated in the BEL hospital and medical centers are collected and disposed of scientifically as per regulatory guidelines.

Solid Waste Management

BEL has established a system for the separation of waste generated at source, which facilitates the scientific treatment and disposal of solid waste. Biodegradable wastes are composted in an organic waste converter; it has been introduced for the treatment of municipal solid waste in addition to use of Bio-methanisation plant. Upflow anaerobic biogas plant of 2.0 tons results in savings of 45kg/day equivalent to PNG in cooking alongside the scientific handling of the municipal waste management problem. An organic waste converter with a capacity of 1.0 Ton per day was installed to convert food waste and green waste into manure. Land fillable wastes are being sent for processing at a well-established solid waste treatment facility in Bengaluru.

Water Management

Water conservation measures are achieved through the outcome of a water audit. Several water protection projects have been implemented to protect water, such as demand based water supply automation, borehole pumping automation, water tank level controller, efficient dishwashing system, and the use of inflow water with air mixing. The implementation of these water conservation projects have led to a steady reduction in water consumption every year. Rainwater collection and innovative borehole recharging allowed us to collect surface runoff water and replenish groundwater. The large-scale rainwater harvesting reservoir at Bangalore unit has a capacity of 170 million liters with expected an annual yield of around 234 million liters. Roof top rainwater harvesting had collected 650 m3 of rainwater in the last year which was directly used for the generation of RO water. All the units are having rainwater recharging facilities. In addition rainwater collection and reuse facilities are also created.

On Site Emergency Plan and Systems

Emergency preparedness and response plans exist at the plant level and workplace level, which have been institutionalized with the integration of a multi-disciplinary task team covering hazard assessment, risk reduction and emergency response. Mock drills on emergency planning are being conducted periodically by the Individual Strategic Business Groups involving:

- Task Force and repair team.
- Firefighting team.
- Security Team.
- Transport Team.
- First aid and medical team.

And the sequences of events are recorded for improving the mock drill exercise while the Planning is monitored by the high officials of the organization.

Incident controllers go to the accident site and co-ordinate with rescue teams and take steps to restore normalcy after the incident, if any.

The learning from the stock taking meeting will be implemented as corrective action measures for improvement.

Ecological Sustainability

We embark on a journey to ecological sustainability, greenery, right from the entrance of the BEL. Around 200 different plant species are grown in the area, home to various birds and other creatures supported by fruit and flower plants. In our 685 acres of green campus, we care for a lawn of approximately 4,90,000 square meters and hedges of 25,000 meters and over 1,39,600 trees.

The green carpet helps to retain dust, absorbs heat, low carbon sink and releases fresh oxygen. Lush green plantations spread over 200 acres of land testify to Company's commitment to afforestation.

BEL-Bangalore Complex took a new step last year to transplant 7 trees that would otherwise be cut. These transplanted trees grow very well. BEL planted around 1500 trees during last year afforestation program. The area is cleaned and afforestated during the Swachh Bharat campaign at the BEL -Bangalore Complex. Next year we planned to plant another 1500 trees.

Annexure-8

BUSINESS RESPONSIBILITY REPORT (BRR)

Section A: General Information about the Company:

1.	Corporate Identity Number (CIN) of the Company	:	L32309KA1954GOI000787
2.	Name of the Company	:	Bharat Electronics Limited
3.	Registered address	:	Outer Ring Road, Nagavara, Bengaluru -560045
4.	Website	:	www.bel-india.in
5.	E-mail id	:	secretary@bel.co.in
6.	Financial Year reported	:	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Radar - 26515 Communication & C4I systems - 26303 Electro-Optic - 26700

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

   i. Radars

   ii. Communication & C4I systems

   iii. Electro-Optic

9. Total number of locations where business activity is undertaken by the Company:

   i. Number of International Locations (Provide details of major 5):

   Overseas Offices at: 05 i.e. New York (USA), Singapore, Vietnam, Myanmar, Sri lanka and Oman.

   ii. Number of National Locations:

   Manufacturing Units at: 09 i.e. Bengaluru (Karnataka), Ghaziabad (Uttar Pradesh), Panchkula (Haryana), Kotdwara (Uttarakhand), Pune and Navi Mumbai (Maharashtra), Hyderabad (Telangana) and Machilipatnam (Andhra Pradesh) and Chennai (Tamil Nadu).

   Regional/Marketing Offices at: New Delhi, Mumbai, Kolkata and Visakhapatnam.

10. Markets served by the Company – Local/State/National/International: National and International.

Section B: Financial Details of the Company:

1.	Paid up Capital	:	₹ 24,366 Lakhs
2.	Total Turnover	:	₹ 12,60,776 Lakhs
3.	Total Profit After Taxes	:	₹ 1,79,383 Lakhs

4. Total Spending on Corporate Social Responsibility (CSR) (including amount set aside) as percentage of profit after tax (%) : 2% of average Net profits of the Company made during the three immediately preceding financial years. Refer to Annexure - 2 Report on CSR activities.

5. List of activities in which expenditure in 4 above has been incurred : (Refer to the Annexure-2 report on CSR activities).

Section C: Other Details:

1. Does the Company have any Subsidiary Company/ Companies?

   Yes.

   i. BEL Optronic Devices Limited, Pune.

   ii. BEL-THALES Systems Limited, Bengaluru.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)

   No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Outsourcing activity in the Company is governed by well established procedure. As quality, delivery and cost are of prime importance, extreme care is taken in the selection and establishment of blemish free vendors. There is a Vendor Evaluation Committee in place and the broad activities of the committee include assessment of capabilities & infrastructure, quality accreditations, environmental certifications, vendors client list and their registration with the vendor, bankers' details, vendors' credentials etc. The vendors fulfilling these conditions will only be included in the Approved Vendor Directory (AVD) of the Company.

Besides, the standard terms & conditions in the purchase order clearly specifies conformance to safety, handling & environment. The Company has also introduced e-Procurement, Integrity Pact etc., to further ensure transparency and fair business practices. Based on the vendor rating mechanism, feedback is provided to suppliers with regard to quality, cost, delivery & performance. To summarize, majority (more than 60%) of the vendors available in the AVD conform to key principles of Business Responsibility.

The Company's environmental policies are communicated to suppliers & vendors through purchase orders and work orders. Environmental awareness and policy requirements are communicated during annual vendor meet for compliance.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

- DIN : 08473589
- Name : Mr Shivakumaran K M
- Designation : Director (Human Resources)

b) Details of the BR head:

Sl	Particulars	Details
1.	DIN (if applicable)	08473589
2.	Name	Mr Shivakumaran K M
3.	Designation	Director (Human Resources)
4.	Telephone number	080-25039205
5.	e-mail id	shivakumarankm@bel.co.in

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policy formulated after extensive internal consultation, covering all functional areas.								
3	Does the policy conform to any national / international standards? If yes, specify?	Policy conforms to SEBI Guidelines on "BR Reports" for listed entities and the Ministry of Corporate Affairs 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Policy approved by the Management and issued as Office Order for compliance by employees at all level across the Company. Yes. (File approval obtained from Chairman & Managing Director)								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of the Annual Report.								
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: http://www.bel-india.in/ContentPage.aspx?MId=17&CId=527&LId=1&link=527								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes.								
8	Does the Company have in-house structure to implement the policy/policies?	Yes.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes.								

2a. If answer to Sr.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable.								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance Related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

  Periodical review of the working of CSR & Sustainability Policy, Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace, Whistle Blower Policy, Code of Business Conduct and Ethics for Board Members, Key Managerial Personnel and Senior Management, Code of Conduct and Fair Disclosure Procedure for Regulating, Monitoring, Reporting and Prohibition of Insider Trading in BEL Securities, Related Party Transactions Policy, Risk Management Policy are being carried out by the Board of Directors / Committee(s) of the Board.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  Yes. The Company publishes BR Report and Sustainability Report as part of its Annual Report and posts the same on its website at http://www.bel-india.in/ContentPage.aspx?MId=17&CId=427&LId=1&link=427

Section E: Principle-wise performance:

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

   Yes, the policy covers the Company. In addition, the Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 300 Lakhs. The pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (BEL), committing the Persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   In the Company, there is constant effort to enhance customer satisfaction level. Accordingly, many initiatives have been taken to address product support issues effectively. Product Support Monitoring Groups have been established across the company to address all supportability issues. Dedicated Senior Officers at the level of Additional General Managers / Sr. Deputy General Managers are appointed for Army, Navy and Air Force for monitoring progress on Complaint Handling. The Company has opened 10 Regional Product Support Centres for supporting Indian Airforce & Indian Army and Water Front Support Centres at 7 Locations for Supporting Indian Navy ensuring timely resolution of Customer Complaints. These Support Centres are single point of contact of Customers in their respective operational zones, thereby facilitating better and faster Co-ordination between customers and the Company's manufacturing Units. Customers Co-ordination Cell has been set up at Bengaluru for registration of complaints. The facility is armed with Toll Free BSNL/MTNL number along with CRM module of SAP connected through internet. Our customers can log-in to the Customers Co-ordination Cell and register complaints. Also, the CRM module helps the customer to track progress on complaint online, by getting Unique Docket Number for the registered complaint. The cell generates monthly report on summery of complaints for management. Details of complaint handling data are appended in the table below:

Summary of Complaints for the financial year 2019-20:

No of Complaints Registered	No of Complaints Resolved	No of Complaints Pending
132052	11559 (87.5%)	1646 (12.5%)

During the financial year 2019-20, the Company has received in 03 complaints/grievances from shareholders in SEBI (SCORES) and all of them are successfully resolved.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The following products are designed to address Social/ Environmental concerns.

   i. Smart City Projects

   ii. Delhi CC TV

   iii. Real-time Train Information System (RTIS)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   BEL's manufacturing process is not constant and involves integration of multiple electronic components to make a product. The production varies from the manufacture of small sub-systems to Radar, etc. Therefore, product-specific information is not possible to quantify. However, overall electricity consumption has been quantified.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has established strict selection mechanism for the selection of suppliers to include in the Approved Vendor Directory (AVD) of the Company towards sustainable sourcing and long-term mutual benefit. The MSMEs and Start ups are also encouraged. The company provides feedback to suppliers by regularly monitoring their performance on various parameters, including quality, cost and delivery. The Company's image, ethical & transparent business practices, good relationship with vendors, etc., ensure that majority of the items are sourced for sustainability. The MSME meet is also held and the sustainable supply is encouraged. The company also insists and encourages all vendors to comply with the Quality System standards ISO9000 and Environmental Management System standard ISO14001 as part of sustainable sourcing.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes, the Company is engaged in the design, manufacture & supply of Strategic Electronics Products/Systems primarily for the defence requirements as well as for select non-defence markets. Nearly one third of the total turnover is generated from indigenously developed products. In order to enhance procurement from local suppliers, various Units of BEL across India engage in continuous Vendor Development program to attract vendors from around the respective Unit locations.

   Besides, the Company also has 16 Ancillary Units owned by small entrepreneurs at Bengaluru. The ancillary units were established to encourage establishment of small industries in different areas of production. The products manufactured by the ancillary units include Castings, Composites, Cable Harness, Coils & Transformers, Communication Equipment, Electronics Testing Systems, Indigenization of Defence Products, Industrial Tailoring, Power Supply & UPS, Rubber & Plastic Products, Sheet Metal Products, Solar Products, Stainless Steel Customized Products and Traffic Signal Systems.

   The services include Advanced Welding, Assembly & Testing of Electronic Products, CNC Machining, Electroplating, Indigenization of Defence Products, Painting & coating, Product Improvement and Sheet Metal Fabrication. Design services include: Communication, Equipments, Composites, Electronics, Equipment, Machine Design, Rubber and Plastic products, Sheet Metal Products, Shelter & Manpacks, Solar Products, Tools & Jigs etc.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company generates, updates & maintains AVD including MSMEs for standard components, materials and sub-contract items across India. This provides ample of opportunities for the small and local vendors to get qualified as the Company's approved vendor by improving their capacity and capability to be in tune with the Company's requirements. The AVD is referred to by all the Units/SBUs to facilitate the procurement of items from the respective local vendors.

To facilitate the vendors to scale up their capacity and capability, the vendors are evaluated through vendor rating mechanism including quality and delivery rating. Besides, the Company adopts stringent criterion on various parameters including capacity & capability for evaluation. The various issues arising due to the above factors are addressed during the annual vendor meet of BEL for mutual benefit. BEL Conduct Training Programs at free of cost (Problem Solving Techniques, Zero Defect, 5S, Lean, 6 Sigma, QMS, ISO 9001/14001 etc.,) for MSME vendors as part of hand holding. BEL has in place Collaborative R&D Process by engaging domestic vendors including MSME as Technology partners towards indigenization efforts. Besides, the Company also provides support to Startups in line with Government Guidelines.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Company does not re-cycle its products, since most of the products are used in strategic / national security applications. The products are not returned back to the Company once they are delivered to customers. However, guidelines have been provided to the customers who are willing to return the end-of-life/ obsolete products. The Company has a well-established mechanism to channel the waste generated during the manufacture of products / equipment through authorized re-cyclers approved by Pollution Control Board. Metal waste, waste oils, solvents and copper containing rejects are sent (100%) to authorised re-cyclers for re-cycling & recovery. Paper, plastics are delivered to re-cyclers. In addition, food wastes are used for the generation of bio-gas in the Bio-Methanization plant which in turn was used for light cooking applications. The wastewater generated during manufacturing is treated and re-cycled for production & horticultural purposes.

Principle 3

1. Please indicate the total number of employees : 9,279
2. Please indicate the total number of employees hired on Contractual/temporary/casual basis : 4,440
3. Please indicate the number of permanent women employees : 1,991
4. Please indicate the number of permanent employees with Disabilities : 216
5. Do you have an employee association that is recognized by management? : Yes
6. What percentage of your permanent employees are Members of this recognized employee association? : 95.12%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sl. No.	Category	No of complaints filed during the year 2019-20	No of complaints pending as on 31 March 2020
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	02	02
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under-mentioned employees was given safety & skill up-gradation training in the last year?

Sl. No.	Category	% of employees covered through training on safety aspects	% of employees covered through training on skill up-gradation
1.	Permanent Employees	22%	85%
2.	Permanent Women Employees	20%	83%
3.	Casual/ Temporary/ Contractual Employees	60%	12%
4.	Employees with Disability	16%	85%

Principle 4

1. Has the company mapped its internal and external stakeholders? : Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? : Yes
   i. SC/ST employees
   ii. Employees with disabilities
   iii. Women employees

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Special Initiatives for SC/ ST employees and their children: With a view to encourage and provide financial assistance to meritorious children of SC / ST employees, Management has instituted a scholarship in the name of Late Prime Minister Shri. Jawaharlal Nehru for pursuing professional courses besides Diploma/ Certified courses including ITI certified course.

A Study facility centre was started for the up-liftment of the children of SC/ ST employees who have inadequate parental care and improper facilities to study at their homes. A new building with facilities such as classrooms, furniture, library, etc has been constructed by the Management.

In addition, various facilities such as coaching for competitive exams, computer training, etc has been provided to SC/ ST employees and their wards.

Special Initiatives for Women Employees: BEL provides opportunity to its women employees to participate in various activities, facilitates interaction and exchange of ideas and problems among women employees through the forum "Women in Public Sector". The forum also works towards creating awareness amongst women employees and work towards promoting a healthy working environment within the organisation.

BEL has been organizing a number of programmes related to creating health awareness among women employees. Free health checkups are conducted in co-ordination with other hospitals. In addition, programmes are conducted on enhancing awareness on nutrition, diet, life style management, etc.

Special Initiatives for Employees with Disabilities: BEL extends special allowance and facilities for Persons with disabilities which include conveyance allowance for physically handicapped employees not using Company transport, special ramps within the factory for movement of disabled persons, special toilets have been provided wherever required, grace time to record attendance and permission granted to take the vehicles upto the place of work. Appliances such as hearing aids, calipers, aluminium folding sticks etc, for orthopedically handicapped, hearing and visually handicapped have also been provided.

Principle 5

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   Human Rights have been built into all the policies, systems and processes used in the Company. Human rights are a fundamental precept of all the Company's policies, interactions and business ventures (Group/ Joint) with suppliers/ contractors/ NGOs and others. The regard for Human Rights is thus an inalienable facet of all business processes in the Company and covers the entire spectrum of the Company's business activities.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Summary of Complaints for the financial year 2019-20:

No of Complaints Registered	No of Complaints Resolved	No of Complaints Pending
13,205	11,559 (87.5%)	1,646 (12.5%)

During the financial year 2019-20, the Company has received 03 complaints/grievances from shareholders in SEBI (SCORES) and all of them are successfully resolved.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

It covers only the Company. In addition, the Company promotes customer awareness in environmental management to minimize the impact on the environment during the use of the Company's Products. The Company also persuades and encourages its business partners / suppliers / contractors to move towards environmentally friendly processes, from design to disposal.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.

Yes. The Company address issues such as climate change, global warming through energy efficiency, energy conservation measures and company owned renewable energy generation such as wind and solar power generation plants. Energy conservation initiatives like energy efficient chillers and motors, digitally addressable lighting management system, integrated building management systems, day light harvesting are implemented. There is a thrust to use renewable energy resources such as wind and solar for energy generation and captive consumption. The Company is widely promoting grid interactive solar roof top power plant for in-house generation. Company is aiming at attaining stage of zero net grid energy.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. This is well established as a part of environment management system based on ISO 14001-2015 standards. Potential Environmental risks are identified and addressed. Internal and external audit is also being carried out to establishing compliance and monitor effectiveness of implementation.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

Yes. Generation of wind energy (Green Energy) through 2.5 MW and 8.4 MW capacity wind energy power plants at Davanagere and 3 MW capacity wind mill at Hassan in Karnataka State.

Details of electrical energy wheeled from Wind power Plants at Davanagere and Hassan, carbon credits earned, etc during the year 2019-20 and cumulative from inception of these are provided below:

Davanagare 2.5 MW wing energy power plant (0.5 MW X 5 Nos)

a. Total Generation during 2019-20 : 33,77,025 KW hrs

b. Total wheeled energy during 2019-20 : 30,48,163 KW hrs

c. Reduction in CO_2 emission : 3,060 tons of CO_2 equivalent

d. Carbon Credits : 15,856 CERs

e. Cumulative wheeled from inception : 4,20,85,226 KW hrs

f. Cumulative CO_2 emission reduction : 45,115 tons of CO_2 equivalent

Hassan 3.0 MW wind energy power plant (1.5 MW X 2 Nos.)

a. Total Generation during 2019-20 : 53,12,100 KW hrs

b. Total wheeled energy during 2019-20 : 48,09,957 KW hrs

c. Reduction in CO_2 emission : 4,824 tons of CO_2 equivalent

d. Carbon Credits : Registered with UNFCC

e. Cumulative wheeled from inception : 5,79,59,524 KW hrs

f. Cumulative CO_2 emission reduction : 67,291 tons of CO_2 equivalent

Davanagere 8.4 MW wind energy power plant (2.1MW X 4 Nos)

a. Total Generation during 2019-20 : 1,85,42,400 KW hrs

b. Total wheeled energy during 2019-20 : 1,69,22,372 KW hrs

c. Reduction in CO_2 emission : 16,968 tons of CO_2 equivalent

d. Carbon Credits : Yet to be registered with UNFCC

e. Cumulative wheeled from inception : 6,62,57,774 KW hrs

f. Cumulative CO_2 emission reduction : 71,414 tons of CO_2 equivalent

For the above mentioned project, periodic environmental compliance is not required to be filed.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. The concepts of cleaner technology are practiced in the manufacturing process for prevention of pollution. The Company always pay more attention towards prevention of pollution at source itself. In such endeavour several improvements and modifications have been incorporated in the existing processes. Many of the Restriction of Certain Hazardous Substances (RoHS) compliant processes have been introduced in PCB manufacturing and metal finishing processes. Further environmentally friendly material such as low smoke halogen cables, low VOC metal finishing operation (poly urethane), cyanide free silver, zinc and copper plating, trivalent chromium based chromate conversion coating have been practiced. Technical series document has been released on RoHS compliant cadmium plating alternates for fasteners and screws. This aids in spreading awareness and adherence on RoHS compliant alternatives among various D&E and Quality engineers across BEL. Cyanide free Silver, zinc and copper plating in Naval systems electroplating shop. Introduction of Piped Natural Gas (PNG) for production in Bangalore Complex Unit.

BEL has got 13.9 MW wind power plant and 3340 kWp Grid Interactive Roof Top solar PV power plant Plant. Total green energy wheeled form wind power plant during 2019-20 is 247.8 Lakhs of units and CO2 emission avoided is 23102 Mt. The solar power plant contributed about 6.83 % of energy consumption of all Units of BEL. Over all renewable energy contribution for the entire company is about 53%. In addition to other energy conservation measures like Energy efficient retrofit LED lights, DALI (Digitally Addressable Lighting Interface) Lighting control system, Sky Light pipe for day light harvesting, Occupancy based lighting, BLDC fans, Star rated Energy efficient transformers.

Incorporation of Green building concept have been introduced in all new buildings and all future buildings are going to meet Green Rating for Integrated Habitat Assessment (GRIHA) rating compliance.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. This is being closely monitored and reported.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

Nil, the Company has good record of environment management and compliance.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

a. Federation of Indian Chambers of Commerce & Industry (FICCI)

b. Confederation of Indian Industry (CII)

c. Associated Chambers of Commerce and Industry of India (ASSOCHAM)

d. Standing Conference of Public Enterprises (SCOPE)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, whenever Policy guidelines are issued, suggestions are being provided. In addition, seminars/workshops are also attended for facilitating our view on the Policies.

Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company is pursuing its cherished value of "Endeavoring to fulfill its Corporate Social Responsibilities". The Company has formulated a CSR & Sustainability Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications, amendments issued by Ministry of Corporate Affairs (MCA) & Department of Public Enterprises (DPE). The CSR Programmes / Initiatives / Projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which is duly incorporated in the CSR & Sustainability Policy and forms the guiding principle for all our programmes.

The CSR initiatives being pursued by the company are broadly in the areas of:

- School Education
- Healthcare & Preventive Healthcare
- Sanitation
- Vocational Skill Development
- Rural Development
- Environmental Sustainability

A three-tier organization structure is in place for strategizing, planning, approving, implementing, monitoring and reporting of the CSR programmes / projects focused towards community development.

2. Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures/any other organization?

The CSR initiatives of the Company are taken up through in-house team(s).

3. Have you done any impact assessment of your initiative?

The Unit in-house teams of the Company undertake impact assessment periodically to assess the effectiveness of CSR Projects. Further, the CSR Committee of Board visits the CSR project site locations periodically to inspect and review the progress of implementation, interact with all the stakeholders concerned to assess the impact of CSR projects implemented by the Company.

4. What is your Company's direct contribution to community development projects amount in INR and the details of the projects undertaken?

During the year 2019-20, an amount of ₹ 4,310.36 Lakhs was allocated by the Company for various CSR programmes / projects. Details of CSR Projects undertaken during the year are given in Annexure 2 – report on CSR activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

i. The Company has established a comprehensive process to identify and implement CSR Projects /Programmes focused towards Community Development. Any CSR intervention begins with a need assessment by a cross-functional in-house team. The requirements are deliberated with the community and prioritized in consultation with

the local administration. Further, identified CSR Projects are scrutinized and selected centrally by the Corporate Apex Committee and approved by the Management. During execution, the views of the community / local administration are obtained and considered for improvement, thus, paving way for successful adoption of the CSR project by the community.

ii. The Company has forayed into the North-Eastern Sector by taking up inclusive and sustainable development interventions in Manipur & Mizoram. Further, BEL has provided food distribution vans to facilitate timely availability of mid-days meals to school children. CSR Projects that promote skilling of youth to bridge the industry-academia skill gap are being implemented under Skill India.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There are a total of 1646 complaints pending as on 31 March 2020. This amounts to 12.5% percent of total complaints registered. Handling customer complaint is ongoing process. The company will attend defects in such a way that the down time of the equipment is minimal. Our product support teams are located very close to the location of the products and will be able to reach out in short span of time. There are no legal cases pending as on 01 April 2020.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   The Company being a Defence Public Sector Undertaking, the product information is sensitive and classified. Hence, there is no display of product information.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.

   There is no case pending against the Company filed by stakeholder in this financial year i.e. 2019-20 and for the past five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes. Customer satisfaction survey is conducted periodically and the outcome of the survey will be used in improving the satisfaction level.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

We are issuing this revised report to comply with the observations made by the Comptroller and Auditor General of India with respect to Emphasis of Matter paragraph to the Independent auditor's report. This Independent auditor's report supersedes our report issued on 29 June 2020.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Bharat Electronics Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information, in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020 and its profit (including Other Comprehensive Income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note no.30(17) of the financial statements toward impact of outbreak of coronavirus (COVID 19) on the business operations of the company which depends on certain developments that are uncertain and cannot be predicted. Our opinion is not modified in respect of the above matter.

2. We draw attention to Note no.30(14) of the financial statements towards recognition of retention sales due to lockdown on account of outbreak of coronavirus (COVID 19) and our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy of recognition, measurement, presentation and disclosure of revenue and related balances towards Ind AS 115- Revenue from Contracts with Customers. The application of this standard involves the assessment towards identification of the distinct performance obligations, determination of the transaction price for each of the identified performance obligation, the judgements used for determining the satisfaction of those performance obligations over time or at a point in time. Additionally, the application of the standard also involves judgements used in identifying the amount of cost incurred to obtain or fulfil a contract and the disclosure of the periods over which performance obligations are satisfied over time subsequent to the reporting date. (Refer Note no. 23 to the standalone financial statements and S.No. 5 to the Accounting policies)	**Principal Audit Procedures** Our audit procedures involve identification of internal controls and their operating effectiveness towards application of this standard. We have also carried out the substantive testing of the transactions. (i) Selected the sample of continuing contracts and the new contracts and identified the performance obligations and compared the same with the performance obligation identified by the company. (ii) Verified the basis of allocation of transaction price to the identified performance obligation if not specifically mentioned in the contract. (iii) Identified the basis to be considered to determine the satisfaction of performance obligation and compared the same with the judgements used by the Company in determining the satisfaction of performance obligation over time or at a point in time. (iv) Verified the appropriate evidences considered for determining the satisfaction of performance obligations towards transfer of promised goods or services. (v) In respect of contracts where the satisfaction of performance obligation is over time, we have verified the method identified by the Company for recognising the revenue and ensured that those methods are appropriate considering the nature of the performance obligation. (vi) Verified judgements used by the Company to identify those costs that are incurred to obtain or fulfil the contract and period over which, those costs will be amortised. (vii) Reviewed the Plan available with the Company towards satisfaction of remaining performance obligations identified based on the delivery terms defined in the customer order to prepare the disclosure relating to periods over which remaining unsatisfied or partially satisfied performance obligations will be satisfied subsequent to the reporting date.
2	Critical Estimates in respect of Onerous Contracts. Estimation of unavoidable costs for meeting or satisfaction of performance obligations in respect of contracts that have become onerous is critical. The estimate has inherent limitation of certainty towards estimating the unavoidable costs to complete the performance obligations.	**Principal Audit Procedures** We have enquired with the management regarding the internal controls available towards identification of onerous contracts and cost to fulfil those contracts. (i) Selected the sample of continuing and existing contract and tested the effectiveness of the controls towards cost incurred and estimated costs of fulfilling the contract.

Sr. No.	Key Audit Matter	Auditor's Response
	(Refer Note no. 21 to the standalone financial statements and S.No. 23 to the Accounting policies)	(ii) Carried out test of internal controls and also the substantive procedures in determining the estimates for unavoidable costs towards onerous contracts. (iii) Verified and understood the internal controls available in estimating the basis for arriving the unavoidable costs for meeting the performance obligations in respect of onerous contracts. (iv) Verified the purchase order issued for satisfying the performance and identified those remaining costs which are to be incurred to satisfy the remaining performance obligations. (v) Verified the internal controls towards identification of costs incurred towards the concerned contracts and ensured that only the related cost of the contract is recorded. (vi) Verified the possible reductions in the contract price towards the balance performance obligations in respect of penalties. (vii) Performed analytical procedures and test of details for reasonableness of cost incurred and estimated cost to be incurred.
3	Critical estimates made in respect of expected cost to complete the contract for performance obligation over time. The estimate has inherent limitation of certainty towards estimating the cost to satisfy the performance obligation. (Refer Note no. 23 to the standalone financial statements and S.No. 5 to the Accounting policies)	**Principal Audit Procedures** We have enquired with the management regarding the internal controls available towards identification of contract where the performance obligations are satisfied over the period of time. (i) Selected the sample contracts of continuing and existing contract and tested the effectiveness of the controls towards cost incurred and estimated costs. (ii) Carried out test of internal controls and also the substantive procedures in determining the estimates made to complete contract. (iii) Verified the purchase order issued for satisfying the performance and identified those remaining costs which are to be incurred to satisfy the balance performance obligations. (iv) Verified the internal controls towards identification of costs incurred towards the concerned contracts and ensured that only the related cost of the contract is considered. (v) Discussed with the management and analysed that the cost estimated is towards the work that are pending to be carried out for completion and satisfaction of the performance obligations. (vi) Performed analytical procedures and test of details for reasonableness of cost incurred and estimated cost to be incurred.

Sr. No.	Key Audit Matter	Auditor's Response
4	a) Determination of transfer of control where dispatch of the goods to the customer could not be made during the lockdown period caused by outbreak of COVID-19. (Refer Note no. 23 to the standalone financial statements and S.no. 5 to the Accounting policies)	(i) Ensured whether the goods are designed and manufactured to the customer specifications by perusing appropriate evidences. (ii) Verified the customer acceptance for the goods for assessment of transfer of control. (iii) Verified the customer request to the company to retain the goods since the goods could not be dispatched and delivered during the lockdown period due to outbreak of COVID-19. (iv) Ensured whether the goods have been appropriated by the company. (v) Verified whether the goods have been subsequently despatched after the lock down is released wherever possible.
	b) Determination of cost incurred in respect of contracts where performance obligation is satisfied over the period of time where the goods despatched from vendor's premise could not reach the customer site during the lockdown period caused by outbreak of COVID-19. (Refer Note no. 23 to the standalone financial statements and S.no. 5 to the Accounting policies)	(i) Obtained the list of goods which were moved before the lock down period but could not reach the customer site. (ii) Verified the supporting evidences for the movement of the goods. (iii) Verified the acceptance of the goods by the company. (iv) Verified that the goods have been subsequently received at the customer site after the lock down is released wherever possible. (v) Verified the cost incurred is appropriately considered for the purpose of calculation of revenue in respect of contracts where performance obligation is satisfied over the period of time.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including its annexures, Corporate Governance and shareholders information but does not include the standalone Financial Statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of

a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

We have considered the audit report of 6 branches audited by branch auditor in forming our opinion on the standalone financial statements.

Other matter

1. We did not audit the financial statements of six branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 7,15,674 lakhs as at 31 March 2020 and total revenues of ₹ 4,76,833 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors appointed by Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

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

2. In respect of the units audited by the branch auditors on whose report we rely on, we observed that the branch auditors of the Ghaziabad and Kotdwara units without modifying their opinion have emphasised that liquidated damages are inherent in determination of transaction price in contracts and it shall form part of the variable consideration and need to be reduced from revenue instead providing the same. We have considered the above and observed that the accounting treatment followed in these units are in line with the accounting policy of the company and as followed in the other units.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure– A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. The audit of the accounts of Bangalore complex, Hyderabad and Chennai units and Corporate office were carried out by us, whilst the audit of Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and

Machilipatnam units were audited by the respective branch auditors. The report of the branch auditors have been considered by us while preparing our report. In case of New York, Singapore and other offices, not visited by us, the returns / records received from the said offices have been verified and found to be adequate for the purpose of our audit.

c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors (in respect of Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam units) have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts of the Company and with the Returns received from the offices not visited by us.

e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) The Company being a Government Company, the provisions of Section 164(2) of the Companies Act, 2013 in respect of disqualification of Directors are not applicable.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of Section 197(16) of the Companies Act, 2013 as amended:

The company being a Government Company, the provisions in relation to payment of managerial remuneration as mandated by Section 197 read with Schedule V to the Companies Act, 2013 is not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at 31 March 2020 -Refer Note 30(8) to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts- Refer Note No.21 to the standalone financial statements. The Company do not have any derivative contracts – Refer Note No. 30(15) to the standalone financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the standalone financial statements of the Company in "Annexure C".

For **Suri & Co.**
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No.223118
UDIN: 20223118AAAACZ9108

Bengaluru
19 August 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31 March, 2020, we report that:

i) a) The Company has generally maintained proper records showing full particulars including quantitative details and situations of its fixed assets.

b) As explained to us and based on our examination of records, the Management has generally carried out the physical verification of a portion of the Fixed Assets in accordance with their phased programme of physical verification, which is considered reasonable, having regard to the size of the Company and nature of its fixed assets. In accordance with the programme, certain fixed assets were verified during the year and discrepancies, if any, were properly dealt with on such verification during the year. As informed to us, no material discrepancies have been noticed on such verification during the year.

c) As explained to us and based on our examination of records, the title deeds of immovable properties are held in the name of the company, except for those which are mentioned in Note No.1(xv) (D),(F),(H) & Note No.3(xiii)(A) to the standalone financial statements.

ii) The Physical verification of inventory (excluding stock with third parties and material in transit) have been conducted at reasonable intervals by the company. We were informed that, no material discrepancies have been noticed on such verification. The discrepancies noticed on such verification have been properly dealt in the books of accounts.

In respect of materials with sub-contractors, confirmation have been generally received and reconciled with the book records. However, in case of such items for which no confirmations have been received, which are not significant, the company has dealt with the same by making adequate provision in the books of accounts.

iii) According to the information and explanations given to us, the Company has granted unsecured loans to subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). The company has not granted loans to firms or other parties covered in the register maintained under section 189 of the Act.

a) According to the information and explanation given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to it's subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 are not, prima facie, prejudicial to the company's interest.

b) According to the information and explanation given to us, the schedule of repayment of principal and payment of interest has been stipulated and repayments are regular.

c) There are no overdue amounts in respect of the loan granted to the subsidiary company listed in the register maintained under section 189 of the Act.

iv) The Company being a Government Company, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security, are not applicable.

v) According to the information and explanations given to us, the company has not accepted any deposit from public in the current year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. We were informed that no order has been passed by Company Law Board or National Company Law Tribunal

or Reserve Bank of India or any Court or any other Tribunal.

All deposits have matured and settled except for ₹ 36.95 lakhs, out of which ₹ 36.50 lakhs is retained as per Garnishee Order of Lokayukta, Bengaluru and the balance of ₹ 0.45 lakhs though matured is unpaid due to legal issues.

vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under section 148 (1) (d) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed cost accounts and records have been made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) a) Based on our examination of books of account and according to the information and explanations given to us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Income tax, Goods and Services Tax, Service Tax, duty of customs and other statutory dues applicable to the appropriate authority. No undisputed statutory dues were outstanding as at 31 March 2020 for a period of more than six months from the date they became payable.

b) According to the information and explanation given and records provided to us, income tax, sales tax, service tax and other taxes which have not been deposited as at 31 March, 2020, on account of dispute are as under:-

Name of the Statute	Nature of dues	Financial year to which amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Income Tax Act	Disallowances as per Assessment orders	2008-09, 2009-10, 2011-12 to 2013-14, 2015-16 and 2016-17	2566.21	Commissioner of Income Tax (Appeals)
Chapter V of Finance Act, 1994	Service Tax	2005-06 to 2008-09, 2011-12, 2014-15 and 2015-16	1149.40	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Chapter V of Finance Act, 1994	Service Tax	2010-11 to 2017-18	565.05	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Customs Act	Customs Duty	2015-16	427.80	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act	MODVAT credit and Excise duty	1991-92	29.69	Commissioner Appeals
Central Excise Act	Interest on Excise Duty	2011-12 & 2012-13	243.87	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
Customs Act	Customs Duty	2012-13	25.45	Commissioner of Customs
Sales Tax Act, Bihar	Disputed Tax under Bihar Sales Tax	1995-96 to 1997-98	66.44	Commissioner of Commercial Taxes (Appeals), Chirkunda, Bihar
Finance Act 1994	Goods and Service Tax	Till 30th June, 2017	60.93	Superintendent Range 34, Division VII, Ghaziabad, U.P.

Name of the Statute	Nature of dues	Financial year to which amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Andhra Pradesh State VAT Act	Sales Tax	2009-10	21.66	Commercial Tax officer, Nampally, Hyderabad
Tamil Nadu General Sales Tax Act	Sales Tax	2007-08 to 2009-10	48.00	Tamil Nadu Sales Tax Appellate Tribunal
Vacant Land Tax	Vacant land Tax	1998-99 to 2003-04	10.35	Director, Directorate of Town Panchayat, Chennai
Urban Land Tax	Urban Land Tax	1984-85 to 2002-03	41.44	Principal commissioner and commissioner of land Reforms
ESI Act, 1948	ESI Contribution, Interest & Cost of Recovery	1992-1993, 1998-2001	30.43	Hon'ble High Court of Andhra Pradesh
ESI Act,1948	Interest & Damages towards late deposit	2000-01	3.52	Hon'ble High Court of Punjab & Haryana, Chandigarh
Uttarakhand value Added Tax Act, 2005	Trade Tax and Interest	2001-02	220.08	Hon'ble High Court of Uttarakhand, Nainital
Local body Tax	Local body tax	2016-17	41.43	Assistant commissioner of Panvel Municipal corporation
Sales Tax	Sales tax	2008-09	58.85	Rajasthan Tax Board
Total disputed amount			**5610.60**	
Total amount paid under protest pending final orders			**634.36**	

viii) Based on our examination of books of account and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or Bank or Government. The company has not issued any debentures during the year.

ix) To the best of our knowledge and according to the information and explanation given to us, term loans availed by the Company were prima facie applied by the Company during the year for the purpose for which the loans were obtained and the Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) during the year.

x) As informed to us by the management, during the year, a fraud on the company by way of misappropriation of company's funds by its employees amounting to ₹ 999.72 lakhs has been detected during the routine internal audit. The fraud was committed during the period from December 2013 to July 2019. Out of the said amount ₹ 63.23 lakhs has been recovered. The company has recognised the balance amount of ₹ 936.49 lakhs (₹ 999.72 lakhs – ₹ 63.23 lakhs) as receivable and pending recovery the same has been provided for as doubtful in the statement of profit and loss. The company has initiated appropriate actions and the investigation is in progress. Refer to Note 30(21) to the accompanying standalone financial statements.

xi) The company being a Government company, the provisions in relation to disbursement of managerial remuneration as mandated by section 197 read

with schedule V to the Companies Act, 2013 is not applicable to the company.

xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii) On the basis of examination of records of the Company and information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence reporting under clause 3 (xiv) of the Order is not applicable to the company.

xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under clause 3 (xv) of the Order is not applicable to the company.

xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For **Suri & Co.**
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No.223118
UDIN: 20223118AAAACZ9108

Bengaluru
19 August 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BHARAT ELECTRONICS LIMITED,** ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

During the year, a fraud on the company by its employees has been detected during the routine internal audit (Refer note 30(21) to the financial statements) and pursuant to which additional financial controls have been established by the company.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting (including the additional financial controls established by the company as mentioned in above para) were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suri & Co.**
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No.223118
UDIN: 20223118AAAACZ9108

Bengaluru
19 August 2020

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Bharat Electronics Limited, for the year 2019-20 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

Sl. No	Direction/Sub-direction	Action Taken	Impact on Financial Statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The company process all the accounting transactions on a day to day basis through IT system.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the verification of records and according to the information and explanations provided to us, there are no restructuring of an existing loan (or) waiver/write off of debts/loans/interest etc, made by the lender due to company's inability to pay.	Nil
3	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per terms and conditions? List the cases of deviation.	Yes. According to the information and explanations provided to us and based on the verification of records, the funds received towards the specific schemes from central/state agencies have been appropriately accounted and utilized for the purpose for which it is received.	Nil

Addendum to Board's Report

C&AG Comments	Company's Reply
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF M/s BHARAT ELECTRONICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2020. The preparation of financial statements of **M/s. Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 19 August 2020 which supersedes their earlier Audit Report dated 29 June 2020. I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6) (a) of the Companies Act, 2013 of the financial statements of **M/s. Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2020. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Companies Act, 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:	

C&AG Comments	Company's Reply
Comments on Profitability **Statement of Profit & Loss** **Revenue from operations** **Note no. 23 – ₹ 12,921.11 crore** **Comment No. I** - The Revenue from operations of the Company includes ₹ 225.12[1] crore accounted as Bill and Hold sales in respect of three overseas deliveries based on customer's letters to postpone delivery in view of the COVID 19 logistic problems. This is not in line with Ind AS 115 (Para 38) as Performance Obligations at a point in time was not satisfied, as on 31 March 2020 due to the following: ➢ BEL did not have a present right to payment, ➢ Customer does not have legal title to the goods, ➢ Significant risks and rewards of ownership was not passed on to customers due to contractual terms of delivery at site. In all the three Orders, the conditions for the customers having obtained control of the products have not been met, which is the prerequisite in a Bill and Hold arrangement (Para B81 of Ind AS 115). Even the clarification of ICAI[2] on such sales states that *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognize revenue on the Bill and Hold basis.* The aforesaid sales is not in line with ICAI clarifications as the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination. Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of revenue by ₹ 225.12 crore with consequent overstatement of profit to the extent of ₹ 90.06 crore and understatement of finished goods to the extent of ₹ 135.06 crore.	The Revenue of ₹ 225.12 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control". In respect of all the three deliveries, the customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. Also, the items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset. Since the items had been accepted by the customer but could not be dispatched, due to pandemic situation (COVID-19), the revenue was recognized on Bill and Hold basis based on "Retention letters" issued by the customer for holding the items till the pandemic situation improves. This is in line with ICAI clarification that "where goods are ready but could not be dispatched due to lockdown conditions imposed by the government, revenue can be recognized if conditions of Bill and Hold Criteria are met". In respect of the sales recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below: **Criteria** / **How met** The reason for bill-and-hold arrangement must be substantive. / The items were retained by BEL based on the customer request for retention of goods due to COVID-19.

[1] ₹ 180.21 crore + ₹ 43.44 crore + ₹ 1.47 crore

[2] ICAI Covid 19 FAQs on Ind AS

<table>
<tr><th>C&AG Comments</th><th>Company's Reply</th></tr>
<tr><td></td><td>
<table>
<tr><th>Criteria</th><th>How met</th></tr>
<tr><td>The product must be identified separately as belonging to the customer.</td><td>The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.</td></tr>
<tr><td>The product must be ready for physical transfer to the customer.</td><td>The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.</td></tr>
<tr><td>The entity cannot have the ability to use the product or to direct it to another customer.</td><td>The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.</td></tr>
</table>
Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met.
No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement.
Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls.
In all the three cases the sale is recognized against firm orders and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic.
In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.
</td></tr>
</table>

C&AG Comments	Company's Reply
Comment No. II – The Revenue from operations of the Company includes ₹ 140.36 crore being the revenue recognised by the Company in respect of three contracts pertaining to Mazagaon Dock Shipbuilders Limited (MDL). The contractual terms for the above contract are 'FOR Destination - MDL, Mumbai'. The materials relating to the above sales are yet to be despatched. The Company accounted for the sale based on retention letter issued by MDL on 23 March 2020 and inspection notes issued by the Inspection authorities. As the customer has not amended the provisions of the contract relating to transfer of risk & rewards and not accepted the billing by the Company, accounting of the same under Bill and Hold is not correct and is in contravention of Ind AS 115 requirement. The Company has also not satisfied all the conditions of the Accounting Policy No. 5(A) (iii) (b) relating to Revenue (Performance Obligation at a point of time). The conditions for the customer having obtained control of the products have not been met, which is a prerequisite in a Bill and Hold arrangement (Ind AS 115 Para B81). Further, the clarification issued by ICAI (FAQ 28) considering COVID pandemic on such sales states that the *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognize revenue on the Bill and Hold basis.* In all the three contracts with MDL, the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination and the control was not transferred since the goods were not delivered to the customers' site.	The Revenue of ₹ 140.36 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control". The customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. The relevant items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset. Since the item had been accepted by the customer but could not be dispatched, due to pandemic situation (COVID-19), the revenue was recognized on Bill and Hold basis based on "Retention letters" issued by the customer for holding the items till the pandemic situation improves. This is in line with ICAI clarification that "where goods are ready but could not be dispatched due to lockdown conditions imposed by the government, revenue can be recognized if conditions of Bill and Hold Criteria are met". In respect of the sale recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below: **Criteria** / **How met** The reason for bill-and-hold arrangement must be substantive. / The items were retained by BEL based on the customer request for retention of goods due to COVID-19. The product must be identified separately as belonging to the customer. / The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.

<table>
<tr><th>C&AG Comments</th><th>Company's Reply</th></tr>
<tr><td>Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of revenue of ₹ 140.36 crore with consequent overstatement of profit to the extent of ₹ 92.64 crore and understatement of finished goods to the extent of ₹ 47.72 crore.</td><td>
<table>
<tr><th>Criteria</th><th>How met</th></tr>
<tr><td>The product must be ready for physical transfer to the customer.</td><td>The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.</td></tr>
<tr><td>The entity cannot have the ability to use the product or to direct it to another customer.</td><td>The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.</td></tr>
</table>
Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met.
No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement.
Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls.
The sale is recognized against firm order and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic.
In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.
</td></tr>
<tr><td>Comment No. III – The Revenue from operations of the Company includes ₹ 68.66 crore of revenue recognised and accounted by the Company against two contracts entered with the Ministry of Defence (the customer). The contractual terms for the above specify FOR Bengaluru with the consignee as "The Project Director, Ship Building Centre, Visakhapatnam" after completion of Inspection by the customer authorised agencies. The agreed price is inclusive of Installation,</td><td>The Revenue of ₹ 68.66 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control".</td></tr>
</table>

C&AG Comments	Company's Reply
Harbour Acceptance Trial (HAT) & Sea Acceptance Trial (SAT) from Inspection, Packing and Insurance upto Consignee site. The Company has accounted for revenue based on an email dated 9 April 2020 issued by the customer representative indicating completion of Factory Acceptance Tests (FAT). However, the Inspection Notes containing the material description pertaining to the above revenue was issued by the Inspection Agency on 16 June 2020 which indicated conduct of inspection from 11 March 2020 to 16 June 2020. As the inspection and acceptance of the equipment relating to the above contracts was not completed as at 31 March 2020, accounting of revenue to the extent of ₹ 68.66 crore is not in order and against accounting policy No. 5(A) (iii) (b) of the Company. The condition for the customer having obtained the control of the product has also not been met which is the prerequisite in a Bill and Hold arrangement (Ind AS 115 Para B81). The clarification by ICAI on such sales states that *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognise revenue on a Bill and Hold basis*. In both the cases mentioned above, the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination (consignee site) and the control was not transferred since the goods were not delivered to the customers' site. Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of sales to the extent of ₹ 68.66 crore with consequent overstatement of profit to the extent of ₹ 36.51 crore and understatement of finished goods to the extent of ₹ 32.15 crore.	The customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. The customer acceptance is evidenced by the fact that the customer nominated third party Inspection Agency, i.e., Chief Quality Assurance Establishment (Warship Equipment), Bangalore completed their inspection on 29 February 2020, and promulgated Factory Acceptance Test (FAT) by the Customer. FAT was completed by the customer on 24 March 2020. The relevant items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset. The items have been retained at the company as a Reference System as per the directions of the Customer. In respect of the sale recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below:

Criteria	How met
The reason for bill-and-hold arrangement must be substantive.	The items were retained by BEL as a Reference System based on the customer request.
The product must be identified separately as belonging to the customer.	The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.
The product must be ready for physical transfer to the customer.	The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.
The entity cannot have the ability to use the product or to direct it to another customer.	The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.

C&AG Comments	Company's Reply
	Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met. No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement. Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls. The sale is recognized against firm order and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic. In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.

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

Santosh Kumar
Principal Director of Commercial Audit

Bengaluru
28 August 2020

For and on behalf of the
Board of Directors

M V Gowtama
Chairman & Managing Director

Bengaluru
7 September 2020

(₹ in Lakhs)

Balance Sheet

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1	2,49,663	2,05,984
(b) Capital work-in-progress	2	19,944	27,507
(c) Investment property	3	9	10
(d) Other intangible assets	4	2,297	2,446
(e) Intangible assets under development	5	48,343	44,629
(f) Financial assets			
(i) Investments	6	1,16,167	1,01,927
(ii) Trade receivables	7	-	-
(iii) Loans	8	3,309	4,005
(iv) Other financial assets	9	2,845	2,805
(g) Deferred tax assets (net)	10	49,740	47,120
(h) Inventories	11	5,255	4,114
(i) Other non-current assets	12	34,078	25,550
		5,31,650	**4,66,097**
(2) Current assets			
(a) Inventories	11	3,91,020	4,41,365
(b) Financial assets			
(i) Trade receivables	7	6,73,291	5,36,921
(ii) Cash & cash equivalents	13	1,55,622	72,193
(iii) Bank balances [other than (ii) above]	14	148	16,205
(iv) Loans	8	3,262	3,282
(v) Other financial assets	9	2,903	3,567
(c) Current tax assets (net)	15	27,989	24,503
(d) Other current assets	12	6,05,224	4,82,211
		18,59,459	**15,80,247**
TOTAL ASSETS		**23,91,109**	**20,46,344**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	24,366	24,366
(b) Other equity		9,60,928	8,77,525
		9,85,294	**9,01,891**

(₹ in Lakhs)

Balance Sheet

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred income	**17**	6,889	6,164
(b) Financial liabilities			
(i) Borrowings	**18**	-	-
(ii) Trade payables	**19**		
- total outstanding dues of micro enterprises & small enterprises; and		-	-
- total outstanding dues of creditors other than micro enterprises & small enterprises		20	26
(iii) Other financial liabilities	**20**	4,934	3,029
(c) Provisions	**21**	1,16,057	92,143
(d) Other non-current liabilities	**22**	112	475
		1,28,012	**1,01,837**
(2) Current liabilities			
(a) Deferred income	**17**	422	245
(b) Financial liabilities			
(i) Trade payables	**19**		
- total outstanding dues of micro enterprises & small enterprises; and		6,478	4,543
- total outstanding dues of creditors other than micro enterprises & small enterprises		2,35,997	1,38,958
(ii) Other financial liabilities	**20**	83,195	1,03,631
(c) Other current liabilities	**22**	9,20,175	7,49,420
(d) Provisions	**21**	31,536	45,819
(e) Current tax liabilities (net)	**15**	-	-
		12,77,803	**10,42,616**
TOTAL EQUITY AND LIABILITIES		**23,91,109**	**20,46,344**

Significant accounting policies and accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

Natarajan V
Partner
Membership No. 223118

S Sreenivas
Company Secretary

Bengaluru
29 June 2020

Statement of Profit & Loss

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
I	Revenue from operations	23	12,92,111	12,08,460
II	Other income	24	10,194	16,954
III	**Total income (I + II)**		**13,02,305**	**12,25,414**
IV	**EXPENSES**			
	a Cost of material consumed		5,86,825	5,28,634
	b Cost of stores & spares consumed		2,651	3,453
	c Consumption of stock in trade		95,097	75,906
	d Changes in inventories of finished goods, work in progress & scrap	25	25,943	(13,220)
	e Employee benefits expense	26	2,05,749	1,87,905
	f Finance costs	27	326	1,221
	g Depreciation and amortisation expense	28	34,964	31,622
	h Other expenses	29	1,02,833	1,39,574
	TOTAL EXPENSES [a to h]		**10,54,388**	**9,55,095**
V	**Profit before exceptional items & tax (III - IV)**		**2,47,917**	**2,70,319**
VI	Exceptional items		-	-
VII	**Profit before tax (V - VI)**		**2,47,917**	**2,70,319**
VIII	**Tax expense**	10		
	-Current tax		75,637	79,749
	-Earlier years tax		(3,995)	(67)
	-Deferred tax		(3,108)	(2,092)
	Total provision for taxation		**68,534**	**77,590**
IX	**Profit for the year(VII - VIII)**		**1,79,383**	**1,92,729**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		(5,864)	(6,183)
	- Equity instruments through other comprehensive income		2	2
	- Income tax relating to these items		2,048	2,160
	Total other comprehensive income/(loss) (net of tax)		**(3,814)**	**(4,021)**
XI	**Total comprehensive income for the year (IX + X) [comprising profit and other comprehensive income for the year]**		**1,75,569**	**1,88,708**
XII	**Earnings per equity share(face value of INR 1/- each):**	30(1)		
	(1) Basic [in INR]		**7.36**	**7.91**
	(2) Diluted [in INR]		**7.36**	**7.91**

Significant accounting policies and accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

Statement of Changes in Equity

(₹ in Lakhs)

A. Equity share capital

	Note No.	Amount
Balance as at 1 April 2018		24,366
Changes in equity share capital during the year		
- Issue of shares	16	-
- Buyback of shares		-
Balance as at 31 March 2019		24,366

	Note No.	Amount
Balance as at 1 April 2019		24,366
Changes in equity share capital during the year		
- Issue of shares	16	-
- Buyback of shares		-
Balance as at 31 March 2020		24,366

B. Other equity

	Note No.	Reserves & Surplus				Other Reserve		Total other equity
		Capital reserve *	Capital redemption reserve *	General reserve	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *	
Balance as at 1 April 2018		**4,669**	**1,868**	**2,79,546**	**4,76,928**	**3**	**(11,279)**	**7,51,735**
Profit for the year		-	-	-	1,92,729	-	-	1,92,729
Addition during the year		-	-	-	-	2	(4,023)	(4,021)
Total		4,669	1,868	2,79,546	6,69,657	5	(15,302)	9,40,443
Corporate social responsibility (CSR)	30(16)	-	-	-	(1,232)	-	-	(1,232)
Amount transfer to general reserve		-	-	40,000	(40,000)	-	-	-
Transaction with owners in their capacity as owner								
Dividends	16	-	-	-	(51,168)	-	-	(51,168)
Dividend distribution tax	16	-	-	-	(10,518)	-	-	(10,518)
Issue of shares	16	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-
Balance as at 31 March 2019		**4,669**	**1,868**	**3,19,546**	**5,66,739**	**5**	**(15,302)**	**8,77,525**

Statement of Changes in Equity

(₹ in Lakhs)

	Note No.	Reserves & Surplus				Other Reserve		Total other equity
		Capital reserve *	Capital redemption reserve *	General reserve	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *	
Balance as at 1 April 2019		**4,669**	**1,868**	**3,19,546**	**5,66,739**	**5**	**(15,302)**	**8,77,525**
Profit for the year		-	-	-	1,79,383	-	-	1,79,383
Addition during the year		-	-	-	-	2	(3,816)	(3,814)
Total		4,669	1,868	3,19,546	7,46,122	7	(19,118)	10,53,094
Corporate social responsibility (CSR)	30(16)	-	-	-	(1,193)	-	-	(1,193)
Amount transfer to general reserve		-	-	40,000	(40,000)	-	-	-
Transaction with owners in their capacity as owner								
Dividends	16	-	-	-	(75,534)	-	-	(75,534)
Dividend distribution tax	16	-	-	-	(15,439)	-	-	(15,439)
Issue of shares	16	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-
Balance as at 31 March 2020		**4,669**	**1,868**	**3,59,546**	**6,13,956**	**7**	**(19,118)**	**9,60,928**

* Refer Note 16 (B).

Significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

Natarajan V
Partner
Membership No. 223118

S Sreenivas
Company Secretary

Bengaluru
29 June 2020

Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	2,47,917	2,70,319
Adjustments for:		
Depreciation and amortisation expense	34,964	31,622
Provision for intangible assets under development	-	3,707
Intangible assets under development charged off	-	1,745
Provision for impairment of capital work in progress	-	124
Contract costs charged off	1,247	3,348
Corporate social responsibility	3,117	2,311
Transfer from government grants	(660)	(195)
Interest income	(6,496)	(3,201)
Dividend income	(426)	(9,706)
Interest on lease liability	28	-
Finance costs	298	1,221
Fair valuation of loan to subsidiary	(2)	(21)
Profit on sale of property, plant & equipment	(21)	(27)
Operating Profit Before Working Capital Changes	**2,79,966**	**3,01,247**
Increase / (Decrease) in:		
Trade receivables	(1,36,370)	(31,971)
Loans	716	14
Other financial assets	624	2,060
Other assets	(1,32,788)	(1,29,708)
Inventories	49,204	28,433
Trade payables	98,968	3,415
Other financial liabilities	(8,636)	14,935
Other liabilities	1,70,392	31,379
Provisions	3,768	5,734
Current tax assets	(15,748)	(2,251)
Cash Generated from Operations	**3,10,096**	**2,23,287**
Income taxes paid (net)	(56,843)	(76,691)
Cash Flow Before Exceptional Items	**2,53,253**	**1,46,596**
Exceptional items	-	-
Net Cash from / (used in) Operating Activities	**2,53,253**	**1,46,596**

Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipment and other intangible assets	(74,284)	(73,785)
Less: Receipt of grant	1,562	3,220
Purchase of property, plant & equipment and other intangible assets (net)*	(72,722)	(70,565)
Proceeds from sale of property, plant & equipment	86	27
Increase / (Decrease) from term deposits & other bank balances	16,057	(16,157)
Equity investments in subsidiaries & associates	(2,833)	(1,450)
Investments in others	(11,403)	(10,139)
Interest received	6,496	3,201
Dividend received	426	9,706
Net Cash from / (used in) Investing Activities	**(63,893)**	**(85,377)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / Repayment from borrowings (net)	(2,501)	(3,332)
Corporate Social Responsibility (CSR) expenditure	(5,042)	(3,666)
Dividend paid (including tax on dividend)	(97,930)	(54,629)
Repayment of lease liabilities	(132)	-
Interest on lease liability	(28)	-
Finance costs	(298)	(1,221)
Net Cash from / (used in) Financing Activities	**(1,05,931)**	**(62,848)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**83,429**	**(1,629)**
Cash and Cash Equivalents at the beginning of the year	**72,193**	**73,822**
Cash and Cash Equivalents at the end of the year	**1,55,622**	**72,193**

* Refer Note 30 (19).

Note: Non-cash changes recognised in respect of liabilities on account of financing activities is Nil (Nil).

Significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118
Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

Notes to Accounts

(₹ in Lakhs)

NOTE 1

Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION/AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2020	Accumulated depreciation/ Amortisation as at 1 April 2019	Depreciation/ Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Owned Asset										
Freehold land	12,908	803	-	13,711	-	-	-	-	13,711	12,908
Roads and culverts	1,750	441	-	2,191	174	107	-	281	1,910	1,576
Buildings	56,500	19,632	7	76,125	6,216	2,637	4	8,849	67,276	50,284
Installations	3,662	574	1	4,235	1,598	405	1	2,002	2,233	2,064
Plant and machinery	1,15,041	22,929	(24)	1,37,994	37,696	13,882	(22)	51,600	86,394	77,345
Electronic equipment	50,342	7,811	268	57,885	22,321	7,850	224	29,947	27,938	27,953
Equipments for R & D lab	38,746	4,460	9	43,197	16,353	6,886	9	23,230	19,967	22,393
Vehicles	671	97	55	713	341	124	44	421	292	330
Office equipments	9,595	945	36	10,504	4,601	1,565	31	6,135	4,369	5,062
Furniture, fixtures & equipments	7,935	791	10	8,716	3,121	951	7	4,065	4,651	4,814
Assets acquired for sponsored research	65	-	-	65	56	9	-	65	-	9
Right of Use Asset										
Lease of buildings*	-	447	47	400	-	145	25	120	280	-
Leasehold land	1,275	20,204	776	20,703	29	39	7	61	20,642	1,246
Total	**2,98,490**	**79,134**	**1,185**	**3,76,439**	**92,506**	**34,600**	**330**	**1,26,776**	**2,49,663**	**2,05,984**
Previous Year	**2,21,566**	**76,978**	**54**	**2,98,490**	**61,125**	**31,391**	**10**	**92,506**	**2,05,984**	**1,60,441**

*Additions to lease of buildings includes ₹ 365 on transition to Ind AS 116 on 01.04.2019.

i. Freehold land consists of 2,072.87 acres (2,064.43 acres) and Leasehold land consists of 948.20 acres (296.62 acres). Freehold land includes Nil (₹ 463) [represents absolute figure] transferred to investment property during the year.

ii. Freehold land includes 7.21 acres (7.21 acres) leased to commercial / religious organisations and in their possession.

iii. Additions related to R&D assets during the year includes

A. ₹ 1,019 (₹ 12,096) in respect of the assets of Central Research Laboratories / Product Development and Innovation Centre accounted under natural code heads.

B. ₹ 14 (₹ 94) in respect of the assets of Pune Unit accounted under natural code heads.

iv. Electronic Equipment value includes POS machines valuing ₹ 1,026 (₹ 1,026) which are under the control of Haryana Government (operating lease).

Notes to Accounts

(₹ in Lakhs)

v. **Site Restoration Obligation**

Refer Note 21 for Site Restoration Obligation in respect of Wind Mill & Solar Power Plants. Gross Block Value of Plant & Machinery includes Site Restoration Obligation of ₹ 2,062 (₹ 1,232) in respect of Wind Mill & Solar Power Plants.

vi. **Contractual Commitments**

Refer Note 30 (6) for outstanding Contractual Commitments.

vii. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant & equipment.

viii. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of Tangible Assets is as follows:

Asset Class	Years
Buildings	20-40
Roads and Culverts	20-40
Installations	10
Plant and Machinery	5-25
Electronic Equipment	5-7
Vehicles	4-5
Office Equipment	5-7
Furniture, Fixtures and equipments	6-10
Equipment for R & D Lab	5

ix. **Depreciation / Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

Leased Assets are amortised on a straight-line basis over their estimated useful lives or their respective lease term whichever is shorter.

x. **Method of Accounting Depreciation**

Depreciation / Amortisation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss. Amount of Depreciation recognised as part of Cost of Other Asset is Nil (Nil).

xi. **Impairment of Assets**

Refer Note 30 (4).

xii. **Compensation from third parties**

₹ 109 (Nil).

Notes to Accounts

(₹ in Lakhs)

xiii. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, Plant & Equipment.

xiv. Land acquired free of cost from the Government in some units has been accounted in line with provisions of Ind AS 101.

xv. **Details of Registration, Pending Litigation etc.,**

A. Pending execution of title / sale deeds and handing over of physical possession of land allotted to BEL Hyderabad Unit by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) in respect of land measuring 5.60 acres (5.60 acres) in Mallapur, Hyderabad and the matter being under litigation, no provision towards registration and other cost has been made in the books of accounts. Cost of land paid to APIIC amounting to ₹ 65 (₹ 65) is included in Capital Advances.

B. Physical possession in respect of 31.15 acres of land located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and capitalised under Lease hold land at ₹ 7,856 during the year. As per the terms of the lease agreement, on sucessful commencement of the project the same will be converted as freehold land. No provision towards registration and other cost has been made in the books of accounts for pending registration.

C. Based on the Memorandum of Understanding reached with the Defence authorities, assets constructed on the land allotted to BEL and in possession of BEL are capitalised under the respective heads for setting up of the Hyderabad Unit. Pending finalisation of the terms and conditions by the appropriate authorities, the cost of land measuring 25.11 acres (25.11 acres) has not been accounted in the books of accounts.

D. Land admeasuring to 122.82 acres (122.82 acres) at Ibrahipatnam allotted by APIIC / TSIIC possession is given for which sale deed is pending.

E. A demand of ₹ 256 (₹ 256) being 50% of the compensation amount decreed by City Civil Court, Hyderabad has been received towards additional compensation from TSIIC dated 31.01.2015 for Land of 22.375 acres (22.375 acres) which is part of free hold land mentioned above. The demand is under dispute and hence, no provision in respect of the same has been made in the books of accounts.

F. Free hold Land to the extent of 1.22 acres (1.22 acres) which was allotted by Government Authorities in return for handing over of Land measuring 1.24 acres (1.24 acres) is under litigation.

G. The Company has installed Windmill Generator at three locations. Windmill Generator-I capitalized in the year 2006-07 on Lease Land. Upfront Lease rent is Nil and Lease Agreement for the land is pending finalization. Windmill Generator - II is capitalized in the year 2007-08 on the leased land by paying upfront lease rent of ₹ 36. Lease Agreement for the land is pending finalization.

H. The title deed in respect of land measuring 0.30 acres (0.30 acres) is under litigation. Two cases are pending in court in this regard.

I. Leasehold land admeasuring 8.93 acres acquired during the year in Pathankot is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

J. During the year the land admeasuring to 6.20 acres has been converted into freehold land at Bathinda. No provision towards registration and other cost has been made in the books of accounts for pending registration.

K. Sale deed is pending for finalisation of the land admeasuring to 913.99 acres (913.99 acres) at Palasamudram, Ananthapur Dist. AP

Notes to Accounts

(₹ in Lakhs)

L. Leasehold land admeasuring 197.68 acres acquired during the year in Addl. Butibori, Nagpur is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

xvi. Company has installed solar power plants on lease land in Ordnance Factory Board Medak, Itarsi, Bolangir, HVF Avadi, GCF Jabalpur, VFJ jabalpur, Hazratpur, Muradnagar, Nalanda by paying a nominal value of INR 1 as Annual lease rent for every plant. Prepaid rent paid for 3 MW Hassan & 8.4 MW Davangere windmill plants capitalised as Right of Use.

xvii. Freehold land includes addition of 2.2 acres (Nil), land purchased at Gudibande Taluk, Chikkaballapur District, Karnataka for Long range communication test facility for defence equipment.

xviii. Borrowing cost of ₹ 484 (net of interest income) towards Employee quarters is capitalised. Capitalisation rate is 6.47% p.a.

xix. Leasehold Land acquired during the year by the company includes land admeasuring 5.94 acres at Jodhpur.

xx. The Company has received an amount of ₹ 109 through insurance claim for loss of assets in fire having Net book value of ₹ 43.

	As at 31 March 2020		As at 31 March 2019	
NOTE 2				
Capital work-in-progress				
Civil construction	9,532		12,375	
Plant & machinery	4,170		10,136	
Others	3,550		4,278	
Capital items in transit	2,816		842	
		20,068		**27,631**
Less: Provision for impairment		(124)		(124)
		19,944		**27,507**

i. Civil construction mainly comprises of Production related building, R&D building and Employee Quarters.

ii. Borrowing costs of ₹ 490 (₹ 798) [net of interest income] has been included in Capital WIP in respect of employee quarters under construction. The capitalisation rate is 6.47% p.a.

iii. Refer Note 30 (6) in respect of contractual commitments.

iv. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, plant & equipment.

v. **Impairment of Assets**

Building under construction with carrying value of ₹ 124 (₹ 124), is halted for past three years as the contractor to whom the work was awarded has been wound up and no progress in the work thereafter. The company is in the process of filing a legal claim to recover the amount paid to the contractor. Hence an amount of ₹ 124 (₹ 124) is provided as impairment. Refer Note 30 (4).

Notes to Accounts

(₹ in Lakhs)

NOTE 3
Investment property

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions/ Adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Freehold land*	-	-	-	-	-	-	-	-	-	-
Buildings	14	-	-	14	4	1	-	5	9	10
Total	**14**	**-**	**-**	**14**	**4**	**1**	**-**	**5**	**9**	**10**
Previous year	**14**	**-**	**-**	**14**	**3**	**1**	**-**	**4**	**10**	**11**

* Freehold land includes INR 3,830 (INR 3,925) [represents absolute figure] which is rounded off.

i. **Amount recognised in Statement of Profit & Loss**

	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Rental Income	186	162
b. Direct Operating Expenses (including R&M) from property that generated rental income	-	-
c. Direct Operating Expenses (including R&M) from property other than above	-	-
d. Depreciation	(1)	(1)
e. Profit from Investment Property	185	161

ii. Refer Note 30 (6) for Contractual Commitments.

iii. **Fair Value of the investment properties**

	As at 31 March 2020	As at 31 March 2019
Land	2,256	2,300
Building	895	902

iv. Land comprises of Freehold Land of 1.48 acres (1.53 acres) in Bengaluru.

v. **Estimation of Fair Value**

The company has estimated the fair value of the Investment Property based on the Government Guidance Value (municipal value) of the similar properties in the investment property's location. All resulting fair value estimates for the investment properties are included in Level 2.

vi. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its investment property as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of the investment property.

Notes to Accounts

(₹ in Lakhs)

vii. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful life of Tangible Asset is as follows :

Asset Class	Years
Buildings	40

viii. **Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets. The amount of Depreciation has been recognised as expense in the Statement of Profit and Loss.

ix. **Method of Accounting Depreciation**

Depreciation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss.

x. **Impairment of Assets**

As the fair value of the Investment Property is higher than its carrying value, there is no indication of impairment.

xi. **Restrictions on the realisability of Investment Property**

The land is allotted by Government of India.

xii. **Related Party Transactions**

Investment Property includes Building and land measuring 0.31 acres (0.31 acres) given under cancellable operating lease to Subsidiary Company BEL Thales Systems Ltd. Also Refer Note 31.

xiii. **Details of Registration, Pending Litigation etc.**

Nil (Nil).

xiv. During the year, INR 95 [represent absolute figure] (Nil) is transferred from investment property to freehold land.

NOTE 4

Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2020	As at 1 April 2019	Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Software licenses/ implementation enterprise resource planning (ERP)	285	-	-	285	210	45	-	255	30	75
Others (development cost)	2,531	214	-	2,745	160	318	-	478	2,267	2,371
Total	**2,816**	**214**	**-**	**3,030**	**370**	**363**	**-**	**733**	**2,297**	**2,446**
Previous Year	**397**	**2,419**	**-**	**2,816**	**140**	**230**	**-**	**370**	**2,446**	**257**

Notes to Accounts

(₹ in Lakhs)

i. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its other intangible assets as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of other intangible assets.

ii. **Estimated useful life**

The estimated useful lives of the Other Intangible Assets is as follows :

Asset Class	Years
Software licenses / implementation Enterprise Resource Planning (ERP)	3
Others (Development Cost)	4/10/15

iii. **Amortisation**

Amortisation is calculated on a straight-line basis over the estimated useful lives of the Assets. The amount of amortisation has been recognised as expense in the Statement of Profit and Loss.

iv. **Method of Accounting Amortisation**

Amortisation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss.

v. Refer Note 30 (6) for Contractual Commitments.

vi. **Impairment of Assets**

Refer Note 30 (4).

vii. The restriction on the title of the assets is governed by the terms of agreement.

viii. Refer Note 30 (7) for the aggregate amount of research and development expenditure recognised as an expense during the period.

	As at 31 March 2020	As at 31 March 2019
NOTE 5		
Intangible assets under development		
Internally developed*	48,343	48,336
Less : Provision for impairment	-	(3,707)
	48,343	**44,629**

*Includes funding to other development agencies.

i. Refer Note 30 (6) for Contractual Commitments.

ii. **Impairment of Assets :**

An amount of Nil (₹ 3,707) provided towards impairment loss. The write off of ₹ 3,707 (₹ 1,746) has been made in respect of these assets where the company has closed the developmental activity from its side and as per company's assessment the probability of getting customer order is not certain and there is no assurance / firm commitment from customers side.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 6		
Investments		
Fair Valuation of loan given to Subsidiary		
BEL Optronic Devices Ltd., Pune	213	211
(I) Investment in Equity Instruments (Unquoted)		
(a) Subsdiary (at Cost)		
(i) BEL Optronic Devices Ltd., Pune		
83,86,259 (72,20,543) equity shares of INR 100 each fully paid	16,607	13,774
(ii) BEL Thales Systems Limited, Bengaluru		
42,63,538 (42,63,538) equity shares of INR 100 each fully paid	4,264	4,264
(b) Associate (at Cost)		
(i) GE-BE Private Ltd., Bengaluru		
26,00,000 (26,00,000) equity shares of INR 10 each fully paid	260	260
(c) Others (at FVOCI) (refer note v below)		
(i) Mana Effluent Treatment Plant Ltd., Hyderabad		
500 (500) equity shares of INR 1,000 each fully paid	11	9
(ii) Defence Innovation Organisation, Bengaluru		
50 (50) equity shares of INR 1,000 each fully paid	1	1
(II) Other investments (Unquoted)		
(a) Investment in Co-operative Societies (at Cost)*		
Cuffe Parade Persopolis Premises Co-Op Society, Mumbai		
40 (40) equity shares of INR 50 each fully paid	-	-
Sukhsagar Premises Co-Op. Society, Mumbai		
10 (10) equity shares of INR 50 each fully paid	-	-
Shri. Sapta Ratna Co-Op. Society, Mumbai		
10 (10) equity shares of INR 50 each fully paid	-	-
Dalamal Park Co-Op. Society, Mumbai		
5 (5) equity shares of INR 50 each fully paid	-	-
Chandralok Co-Op. Housing Society, Pune		
30 (30) equity shares of INR 50 each fully paid	-	-
(b) Others (at FVTPL)		
Life Insurance Corporation of India – (Refer Note ii)	94,811	83,408
	1,16,167	**1,01,927**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off. The same represents value of share acquired in Housing Societies as per their by-law regulation.

Notes to Accounts

(₹ in Lakhs)

i.

		2019-2020	2018-2019
a.	Aggregate value of quoted investments and market value thereof	-	-
b.	Aggregate value of unquoted investments	1,16,167	1,01,927
c.	Aggregate amount of impairment in value of investments	-	-

ii. The company has invested its Leave Encashment & "BEL Retired Employees' Contributory Health Schemes" (BERECHS) liabilites in LICs New Group Leave Encashment Plan & New Group Superannuation Cash Accumulation Plan respectively [Refer note 21].

iii. Refer Note 33 for classification of financial instruments.

iv. An amount of INR 50,000 [represents absolute figure] has been contributed towards equity capital in M/s Defence Innovation Organisation (DIO). DIO was incorporated on 10th April 2017 as a 'Not for profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises Bengaluru.

An amount of ₹ 5,000 has been provided in the books of accounts towards contribution to initial corpus fund during the year 2018-19. Out of this an amount of ₹ 4,000 (₹ 4,500) is pending for disbursement.

v. a. The Company has designated investment in equity shares of Mana Effluent treatment plant and Defence Innovation Organisation, Bengaluru at FVOCI because these equity shares represent investments that are intended to be held for long-term for strategic purposes. Fair Value of the Investment based on Net Asset Value Method is given below :

Particulars	Fair value as at 31 March 2020	Dividend income recognised during 2019-2020	Fair value as at 31 March 2019	Dividend income recognised during 2018-2019
Mana Effluent Treatment Plant Ltd., Hyderabad	11	-	9	-
Defence Innovation Organisation, Bengaluru	1	-	1	-

b. Company has not received any dividend so far on these Investments.

c. No strategic investments were disposed off during 2019-2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

vi. **Related party disclosure**

For Related Party Disclosures refer Note 31.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 7		
Trade receivables		
Non current		
Unsecured, considered doubtful		
Trade Receivables	1,34,855	1,26,565
Less: Provisions*	(1,34,855)	(1,26,565)
Sub total (A)	**-**	**-**
Current		
Secured, considered good	498	469
Unsecured, considered good	6,72,793	5,36,452
Sub total (B)	**6,73,291**	**5,36,921**
Total (A+B)	**6,73,291**	**5,36,921**

*Includes ₹ 339 (₹ 339) in respect of receivables which are credit impaired.

i. **Payment Terms**

A. In majority of contracts, payment (net of advance received, if any) is due on delivery of items. However, in some contracts a portion of dues (Typically 5% to 10%) is linked to satisfaction of further performance obligation like completion of installation and commission activity etc. In respect of turnkey contracts, payment (net of advance, if any) is linked to achievement of specified milestone.

B. Advance including progressive payments received from customer are classified as contract liability and adjusted on completion of related performance obligation. Balance amount receivable is classified as Trade Receivable.

C. Amount retained by customer in respect of completed Performance obligation due to linking of payment with completion of other Performance obligations in the contract is classified as Contract Asset.

ii. **Financial instruments**

Refer Note 33 for classification of financial instruments.

iii. **Impairment of financial assets**

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iv. **Related party disclosure**

For Related Party Disclosures refer Note 31.

v. **Security, Hypothecation etc.**

Refer Note 35.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 8		
Loans		
Non current		
Unsecured, considered good		
Security deposits	2,501	2,010
Loans to employees	696	702
Loans to related parties*	112	1,293
	3,309	**4,005**
Unsecured, considered doubtful		
Security deposits	81	75
Less: Provisions	(81)	(75)
	-	-
Others		
Loans to employees	1	1
Less: Provisions	(1)	(1)
	-	-
Loans to others	132	132
Less: Provisions**	(132)	(132)
	-	-
Sub total (A)	**3,309**	**4,005**
Current		
Unsecured, considered good		
Security deposits	1,567	1,453
Loans to related parties***	1,528	1,660
Others		
Loans to employees	167	169
Sub total (B)	**3,262**	**3,282**
Total (A+B)	**6,571**	**7,287**

* Maximum amount outstanding at any time during the year is ₹ 2,953 (₹ 4,220).

** Includes ₹ 132 (₹ 132) in respect of loans which are credit impaired.

*** Includes accrued interest.

i. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

ii. **Impairment of Financial Assets**

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iii. **Related Party Disclosure**

For Related Party Disclosures refer Note 31.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 9		
Other financial assets		
Non Current		
Unsecured, considered good		
Receivables other than trade receivables	77	37
Other assets	2,768	2,768
	2,845	**2,805**
Unsecured, considered doubtful		
Advance to others	12	12
Less: Provisions	(12)	(12)
	-	-
Receivables other than trade receivables	966	31
Less: Provisions*	(966)	(31)
	-	-
Other assets	74	74
Less: Provisions	(74)	(74)
	-	-
Sub total (A)	**2,845**	**2,805**
Current		
Unsecured, considered good		
Advance to employees	178	130
Advance to others	2	3
Interest accrued but not due on term deposits	26	95
Receivables other than trade receivables	979	712
Other assets	1,718	2,627
Sub total (B)	**2,903**	**3,567**
Total (A+B)	**5,748**	**6,372**

* Refer Note 30 (21).

i. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

ii. **Impairment of Financial Assets**

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iii. **Related Party Disclosure**

For related party disclosures refer Note 31.

iv. Net carrying amount of Nil (INR 14,306) [represents absolute figure] has been added in other assets with respect to Property, Plant and Equipment not in use and pending for disposal.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 10		
Deferred tax assets (net)		
Deferred tax assets	84,685	80,483
Deferred tax liabilities	(34,945)	(33,363)
	49,740	**47,120**

i. Income Tax recognised in Statement of Profit and Loss

Sl. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	**Income Tax Expenses :**		
	- Current period	75,637	79,749
	- Changes in estimates related to earlier years	(3,995)	(67)
2	**Deferred tax :**		
	- Origination and reversal of temporary differences	(3,108)	(2,092)
3	**Total deferred tax expense/(benefit)**	(3,108)	(2,092)
4	**Income tax expenses**	68,534	77,590

ii. Income Tax recognised in other comprehensive income

Sl. No.	Particulars	As at 31 March 2020			As at 31 March 2019		
		Before Tax	Tax (expense) /benefit	Net of Tax	Before Tax	Tax (expense) /benefit	Net of Tax
1	Remeasurement of the net defined benefit liability/(asset)	(5,864)	(2,049)	(3,815)	(6,183)	(2,161)	(4,022)
2	Equity instruments through other comprehensive income	2	1	1	2	1	1
	Total	**(5,862)**	**(2,048)**	**(3,814)**	**(6,181)**	**(2,160)**	**(4,021)**

iii. Income Tax recognised directly in Equity

There are no income tax recognised directly in equity for the year ended 31 March 2020 & 31 March 2019.

iv. Reconciliation of Effective Tax Rates

Particulars	As at 31 March 2020		As at 31 March 2019	
	Rate	Amount	Rate	Amount
Profit Before Tax		**2,47,917**		**2,70,319**
Tax using the company's Domestic Tax Rate	34.94%	86,632	34.94%	94,460
Effect of				
Additional deduction on Research & Development Expenses	-5.72%	(14,181)	-5.15%	(13,930)
Exempt Income	-0.06%	(149)	-1.25%	(3,392)

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Rate	Amount	Rate	Amount
Tax Incentives	-0.37%	(914)	-0.20%	(554)
Changes in estimates related to previous years	-1.61%	(3,995)	-0.02%	(67)
Non-deductable Expenses	0.41%	1,017	0.42%	1,143
Others	0.05%	124	-0.03%	(70)
Effective Tax rate	**27.64%**	**68,534**	**28.70%**	**77,590**

v. Deferred Tax (Assets) and Liabilities are attributable to the following :

Sl. No.	Particulars	Deferred Tax (Assets)		Deferred Tax Liability		Net Deferred Tax (Assets) / Liability	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
1.	Trade Receivables	(14,528)	(13,627)	-	-	(14,528)	(13,627)
2.	Inventory	(14,954)	(14,860)	-	-	(14,954)	(14,860)
3.	Provision others	(17,908)	(21,429)	-	-	(17,908)	(21,429)
4.	Employee Benefits	(34,916)	(28,182)	699	-	(34,217)	(28,182)
5.	Other Intangible Assets	-	-	166	136	166	136
6.	Deferred Revenue	(373)	(373)	-	-	(373)	(373)
7.	Other Assets	-	-	1	1	1	1
8.	Property, Plant and Equipment	-	-	26,790	26,657	26,790	26,657
9.	ICDS Adjustment	-	-	-	-	-	-
10.	Equity Investments	-	-	2	1	2	1
11.	Other Financial Liabilities	-	-	10	10	10	10
12.	Provision for Impairment	(2,006)	(2,012)	-	-	(2,006)	(2,012)
13.	Intangible Assets under development	-	-	7,277	6,558	7,277	6,558
14.	**Total**	**(84,685)**	**(80,483)**	**34,945**	**33,363**	**(49,740)**	**(47,120)**
15 .	Set off of (Asset)/Liability	34,945	33,363	(34,945)	(33,363)	-	-
	Net Deferred Tax (Asset) / Liability	**(49,740)**	**(47,120)**	**-**	**-**	**(49,740)**	**(47,120)**

vi. Movement for Deferred Tax (Assets) and Liabilities :

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-2020	Recognised in OCI during 2019-2020	Balance as on 31 March 2020
1.	Trade Receivables	(13,627)	(901)	-	(14,528)
2.	Inventory	(14,860)	(94)	-	(14,954)
3.	Provision others	(21,429)	3,521	-	(17,908)
4.	Employee Benefits	(28,182)	(6,523)	488	(34,217)

Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-2020	Recognised in OCI during 2019-2020	Balance as on 31 March 2020
5.	Other Intangible Assets	136	30	-	166
6.	Deferred Revenue	(373)	-	-	(373)
7.	Other Assets	1	-	-	1
8.	Property, Plant and Equipment	26,657	134	-	26,790
9.	ICDS Adjustment	-	-	-	-
10.	Equity Investments	1	-	1	2
11.	Other Financial Liabilities	10	-	-	10
12.	Provision for Impairment	(2,012)	6	-	(2,006)
13.	Intangible Assets under development	6,558	719	-	7,277
	Total	**(47,120)**	**(3,108)**	**489**	**(49,740)**

Sl. No.	Particulars	Balance as on 1 April 2018	Recognised in P&L during 2018-2019	Recognised in OCI during 2018-2019	Balance as on 31 March 2019
1.	Trade Receivables	(11,255)	(2,372)	-	(13,627)
2.	Inventory	(11,658)	(3,202)	-	(14,860)
3.	Provision others	(17,949)	(3,480)	-	(21,429)
4.	Employee Benefits	(22,567)	(3,703)	(1,912)	(28,182)
5.	Other Intangible Assets	(203)	339	-	136
6.	Deferred Revenue	(373)	-	-	(373)
7.	Other Assets	1	-	-	1
8.	Property, Plant and Equipment	16,904	9,753	-	26,657
9.	ICDS Adjustment	(197)	197	-	-
10.	Equity Investments	1	-	1	1
11.	Other Financial Liabilities	10	-	-	10
12.	Provision for Impairment	-	(2,012)	-	(2,012)
13.	Intangible Assets under development	4,169	2,388	-	6,558
	Total	**(43,117)**	**(2,092)**	**(1,911)**	**(47,120)**

vii. **Unrecognised Deferred Tax (Assets) / Liabilities :**

There are no temporary differences on which deferred tax (Assets) / Liability have not been recognised for the year ended 31 March 2020 & 31 March 2019.

viii. **Tax Losses carried forward :**

There are no Tax Losses on which Deferred Tax Asset has been recognised for the year ended 31 March 2020 & 31 March 2019.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 11		
Inventories		
Non current		
Raw Materials & Components	47,542	46,003
Add: Raw Materials & Components in Transit	108	118
Less : Provisions	(42,501)	(42,113)
	5,149	**4,008**
Stock in Trade	54	113
Add: Stock in Trade in Transit	-	1
Less : Provisions	(54)	(114)
	-	-
Stores & Spares	264	282
Less : Provisions	(198)	(227)
	66	**55**
Loose Tools	119	124
Less: Provisions	(79)	(73)
	40	**51**
Sub total (A)	**5,255**	**4,114**
Current		
Raw Materials & Components	2,12,633	2,44,115
Add: Raw Materials & Components in Transit	22,771	12,578
	2,35,404	**2,56,693**
Work in Progress	1,26,787	1,54,137
Finished Goods	21,632	19,440
Add: Finished Goods in Transit	2,514	3,186
	24,146	**22,626**
Stock in Trade	971	3,332
Add: Stock in Trade in Transit	38	987
	1,009	**4,319**
Stores & Spares	2,531	2,358
Add: Stores & Spares in transit	69	-
	2,600	**2,358**
Loose Tools	880	926
Add: Loose Tools in Transit	1	-
	881	**926**
Disposal Scrap	193	306
Sub total (B)	**3,91,020**	**4,41,365**
Total (A+B)	**3,96,275**	**4,45,479**

Notes to Accounts

(₹ in Lakhs)

i. Raw Materials and Components include ₹ 9,643 (₹ 7,612) being materials with sub-contractors, out of which ₹ 367 (₹ 284) of materials is subject to confirmation and reconciliation. Against ₹ 367 (₹ 284), an amount of ₹ 366 (₹ 284) has been provided for.

ii. **Stock verification discrepancies for the year are as follows :**

Shortages of ₹ 1,294 (₹ 649) and surplus of ₹ 412 (₹ 514). Pending reconciliation, an amount of ₹ 887 (₹ 74) has been provided for.

iii. Valuation of Inventories has been made as per Company's Accounting Policy No. 18.

iv. A. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO2EQ carbon credit during earlier years, for the 2.5 MW BEL Grid Connected Wind Power Project Davangere District, Karnataka for the verification period from 05.11.2007 to 31.03.2012. The carbon credits are included under Finished Goods at a value of ₹ 2 (₹ 2). The CER is valued at cost as required by Guidance Note on CER issued by ICAI.

B. CER under Certification : Nil (Nil) CERs.

C. Depreciation & Operation Cost of Emission Reduction Equipments during the year :

Particulars	2019-2020	2018-2019
i. Depreciation	273	266
ii. Operation Cost of Emission Reduction Equipments	203	169
Total	**476**	**435**

v. **Security, Hypothecation etc.**

Refer Note 35.

vi. **Amount recognised in Statement of Profit & Loss**

Write-down of inventories to net realisable value amounted to ₹ 5,067 (₹ 10,351) has been recognised in the statement of profit and loss.

vii. Reversal of write down of inventories of ₹ 3,389 (Nil) has been made during the year, which were recognised as an expenses in the previous year.

viii. **Impairment of Assets**

Provisions for inventory has been made in line with Accounting Policy No. 18 of the Company.

ix. Materials amounting to ₹ 3,319 (₹ 19,921) are located physically at Customer Premises.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 12		
Other assets		
Non current		
Capital advances	620	23,303
Less: Provisions	-	-
	620	**23,303**
Advances other than capital advances		
Advances for purchase	2,761	2,957
Less: Provisions	(2,761)	(2,957)
	-	**-**
Contract asset	10,226	9,153
Less: Provisions	(10,226)	(9,153)
	-	**-**
Others		
Balances with customs,port trust and other government authorities	350	419
Less: Provisions	(277)	(275)
	73	**144**
Prepaid expenses	81	17
Claims receivable purchases	569	991
Less: Provisions	(569)	(991)
	-	**-**
Contract costs	33,304	1,931
Others - assets	29	248
Less: Provisions	(29)	(93)
	-	**155**
Sub total (A)	**34,078**	**25,550**
Current		
Advances other than capital advances		
Advances to employees	710	2,501
Advances for purchase	1,36,977	1,52,960
Contract asset	4,27,168	2,88,512
Others		
Balances with customs,port trust and other government authorities*	26,451	17,362
Prepaid expenses	3,876	3,236
Prepaid taxes	6,761	11,030
Claims receivable purchases	2,072	3,355
Others - assets	1,209	3,255
Sub total (B)	**6,05,224**	**4,82,211**
Total (A+B)	**6,39,302**	**5,07,761**

* Pending decision of Hon'ble High Court of Madras, ₹ 1,497 of GST transitional credit is pending for utilisation.

Notes to Accounts

(₹ in Lakhs)

i. **Impairment of Assets**

Provisions for impairment of non financial assets has been made in line with accounting policy No. 13 of the company.

ii. **Related Party Disclosure**

For related party disclosures refer Note 31.

iii. **Impairment of a contract asset**

Impairment of a contract asset is ₹ 1,073 (₹ 2,505).

iv. **Fair value Measurement**

	As at 31 March 2020			As at 31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Contract Asset	-	-	4,27,168	-	-	2,88,512

v. Closing balance of contract cost represents, cost to obtain the contract from customer ₹ 4,659 (₹ 1,931) & cost to fulfill contract is ₹ 28,645 (Nil).

vi. **Amortisation and impairment of Contract Costs**

Amortisation of contract costs is determined based on the period of benefit expected from the contract cost is ₹ 6,163 (Nil). Impairment of contract costs recognised is Nil (Nil).

	As at 31 March 2020	As at 31 March 2019
NOTE 13 **Cash & cash equivalents**		
Balance with banks	35,620	58,190
Cash on hand	2	3
Term deposits	1,20,000	14,000
	1,55,622	**72,193**

i. Cash and cash equivalents includes Term Deposits with original maturity period up to three months. Term Deposits with original maturity period beyond three months have been included in Bank balances. Refer Note 14.

ii. Refer Note 33 for classification of financial instruments.

iii. There are no repatriation restrictions with regard to cash and cash equivalents.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 14		
Bank balances [other than (ii) above]		
Term deposits	-	9,100
Unpaid dividend account	148	7,105
	148	**16,205**

i. Refer Note 33 for classification of financial instruments.

ii. Company does not have any Term Deposits with original maturity period of more than twelve months.

iii. There are no repatriation restrictions with regard to bank balances.

	As at 31 March 2020	As at 31 March 2019
NOTE 15		
Current tax assets (net)		
Advance payment of income tax	27,989	24,503
	27,989	**24,503**
Current tax liability (net)		
Provision for taxation	-	-
	-	-

	As at 31 March 2020	As at 31 March 2019
NOTE 16		
A. **Equity Share Capital**		
i. **Authorised capital**		
250,00,00,000 (250,00,00,000) Equity Shares of INR 1 (INR 1) each	25,000	25,000
ii. **Issued, subscribed & fully paid-up capital**		
243,65,92,943 (243,65,92,943) Equity Shares of INR 1 (INR 1) each	24,366	24,366

iii. **Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	243,65,92,943	24,366	243,65,92,943	24,366
Add : Shares issued during the year	-	-	-	-
Less : Shares Bought Back during the year	-	-	-	-
Shares outstanding at the end of the reporting period	243,65,92,943	24,366	243,65,92,943	24,366

Notes to Accounts

(₹ in Lakhs)

iv. **Shares in the company held by each shareholder holding more than 5%.**

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Government of India	124,59,73,978	51.14%	143,33,26,432	58.83%

v. **Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the previous 5 years.**

Equity shares allotted as fully paid up by way of bonus shares

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
No. of shares	-	16,00,00,000	-	22,33,62,793	-

vi. **Aggregate number and class of shares bought back during the previous 5 years.**

Equity shares bought back

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
No. of shares	-	-	1,66,37,207	2,03,97,780	-

vii. During the previous five years the company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash.

		As at 31 March 2020	As at 31 March 2019
viii.	Shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment.	Nil	Nil
ix.	The aggregate value of calls unpaid (including Directors and Officers of Company)	Nil	Nil
x.	Shares forfeited	Nil	Nil

xi. **Terms, Rights, preferences and restrictions attaching to each class of shares**

A. The Company has only one class of shares viz, Equity Shares.

B. Each holder of Equity Shares is entitled to one vote on show of hands and in poll in proportion to the Number of shares held.

C. Each Shareholder has a right to receive the dividend declared by the Company.

D. On winding up of the Company, the equity shareholders will be entitled to get the realised value of the remaining assets of the Company, if any, after distribution of all preferential amounts as per law. The distribution will be in proportion to the number of equity shares held by the shareholders.

xii. A. **Interim Dividend and Final Dividend**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Final dividend for FY 2018-2019 and FY 2017-2018 respectively	41,422	9,746
Interim dividend for FY 2019-2020 and FY 2018-2019 respectively	34,112	41,422
Dividend Distribution Tax	15,439	10,518

Notes to Accounts

(₹ in Lakhs)

B. **Nature and purpose of Reserves**

a. **Capital Reserve**

Capital Reserve is created by transfer from Retained earnings an amount equal to capital profit earned by the company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b. **Capital Redemption Reserve**

Capital Redemption Reserve is created by transfer from General Reserve an amount equal to face value of the Shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c. **Equity Investment through Other Comprehensive Income (OCI)**

The company has elected to recognise changes in fair value of certain equity investments in other comprehensive income. The change in fair value is accumulated in this reserve. If and when the investment is de-recognised the accumulated amount will be transferred to Retained earnings.

d. **Other Comprehensive Income (OCI)**

Other comprehensive income are those gains or losses which are not yet realised and excluded from the statement of profit and loss. It mainly consists of remeasurement of the net defined benefit liability / asset (net of tax).

	As at 31 March 2020	As at 31 March 2019
NOTE 17		
Deferred income		
Non current		
Goverment grants - deferred	6,889	6,164
Sub total (A)	**6,889**	**6,164**
Current		
Goverment grants - deferred	422	245
Sub total (B)	**422**	**245**
Total (A+B)	**7,311**	**6,409**

i. Refer Accounting Policy 16 for method of presentation

ii. Nature of utilisation of govt. grant		
a. Revenue expenditure	-	-
b. Capital Expenditure		
i. Property, Plant and Equipment	7,311	6,409
iii. Other forms of government assistance that has directly benefited the company	-	-
iv. Details of unfulfilled conditions attached to govt. grant	-	-
v. Contingencies attached to govt. grant	-	-
vi. The above grants received represents viability gap funding towards solar power plants, assistance towards roof top solar sytems and Modified Special Incentive Package Scheme (M-sips) subsidy for Zns Project.		

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 18		
Borrowings		
Non current		
Secured		
Other borrowings	-	-
Term loan from banks	-	-
	-	**-**

i. **Term Loan from Banks**

Particulars	2019-2020	2018-2019
Total liability as on Balance Sheet Date	833	3,363
Less : Current Maturities of Long Term Debt *	833	3,334
Less : Interest accrued and due on Term Loan	-	29
Non Current Borrowing	-	-

* Shown under Note 20.

ii. **Nature of security :**

Refer Note 35.

iii. **Terms of repayment :**

Repayable in 12 quarterly installments commencing from Quarter ending June 2017 and ends on the Quarter ending March 2020.

iv. **Rate of interest :**

7.90% p.a. subject to revision based on RBI / SBI guideline and risk rating of the company.

v. **Period and amount of default as on Balance Sheet Date :**

Nil.

	As at 31 March 2020	As at 31 March 2019
NOTE 19		
Trade payables		
Non current		
Others	20	26
Sub total (A)	**20**	**26**
Current		
Dues to Micro & Small Enterprises	6,478	4,543
Others	2,35,997	1,38,958
Sub total (B)	**2,42,475**	**1,43,501**
Total (A+B)	**2,42,495**	**1,43,527**

Notes to Accounts

(₹ in Lakhs)

i. The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprise Developement (MSMED) Act, 2006 as on 31 March 2020 is furnished below:

Particulars	2019-2020	2018-2019
a. The principal and the interest due thereon remaining unpaid as at 31 March :		
Principal *	6,748	4,654
Interest	7	1
b. The interest paid by the Company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31 March :		
Principal	-	-
Interest	1	3
c. The interest reversed by the company during the year ended 31 March**	-	2
d. Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
e. Interest accrued and remaining unpaid at the end of the year ending 31 March	7	3
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	5	1

* Includes amount shown under Note 20.

** During the period Nil (₹ 2) of provisions made in previous year has been reversed, since on subsequent verfication, the amount was found to be not payable.

ii. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small enterprises on the basis of information available with the Company and have been relied upon by the Auditors.

iii. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

iv. **Related Party Disclosure**

For Related Party Disclosures refer Note 31.

v. The exposure of company to currency and liquidity risk related to Trade Payables is disclosed at Note 34.

	As at 31 March 2020	As at 31 March 2019
NOTE 20		
Other financial liabilities		
Non current		
Security deposits	4,751	3,029
Other lease liabilities	183	-
Sub total (A)	**4,934**	**3,029**

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Current		
Security deposits	17,598	10,235
Current maturities of long term debt*	833	3,334
Interest accrued and due - term loan*	-	29
Interest accrued and due on trade payables**	7	3
Other trade Payables	13,805	13,600
Unpaid matured deposits	37	37
Unpaid dividend	148	7,105
Non trade payables dues to micro and small enterprises**	270	111
Outstanding expenses	49,443	67,512
Other lease liabilities	114	-
Other liabilities	940	1,665
Sub total (B)	**83,195**	**1,03,631**
Total (A+B)	**88,129**	**1,06,660**
Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date	Nil	Nil

* (Refer Note 18)

** (Refer Note 19)

i. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

	As at 31 March 2020	As at 31 March 2019
NOTE 21		
Provisions		
Non current		
Employee benefits		
Long - term compensated absences	32,584	24,730
BEL retired employees' contributory health scheme (BERECHS)	56,604	51,359
Provident fund Interest obligation	603	-
Others		
Provision for onerous contracts	109	218
Provision for performance warranty	24,043	14,551
Provision for Site restoration obligation	2,114	1,285
Sub total (A)	**1,16,057**	**92,143**

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Current		
Employee benefits		
Gratuity*	1,602	(1,055)
Long-term compensated absences	3,115	2,417
BEL retired employees' contributory health scheme (BERECHS)	4,301	4,266
Provident fund Interest obligation	1,231	-
Others		
Provision for performance warranty	19,732	34,631
Provision for onerous contracts	1,555	5,560
Sub total (B)	**31,536**	**45,819**
Total (A+B)	**1,47,593**	**1,37,962**

* Represents excess of plan asset over obligation.

i. **Movement of provisions for the year ended 2019-2020**

	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	49,182	5,778	1,285
Additional provision recognized during the year	23,612	4,176	829
Amount used during the year (Refer note v below)	-	-	-
Amount reversed during the year	29,019	8,290	-
As at 31 March	**43,775**	**1,664**	**2,114**

Movement of provisions for the year ended 2018-2019

	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	39,915	9,824	519
Additional provision recognized during the year	32,408	2,249	766
Amount used during the year (Refer note v below)	-	-	-
Unused amount reversed during the year	23,141	6,295	-
As at 31 March	**49,182**	**5,778**	**1,285**

ii. **Provision for Warranties - as per Accounting Policy No. 20 of the Company.**
Provision for warranties is made in respect of products whose normal warranty period is outstanding. As the warranty provision period varies from product to product, provision is made at Strategic Business Unit (SBU) level based on average period of warranty period. Provision is made based on trend based estimate of the likely expenses to be incurred. The provision is measured at the present value of the estimated cost of Warranty.

iii. **Provision for Site restoration - as per Accounting Policy No. 23 of the Company.**
In accordance with the terms and conditions of the Lease agreement entered into with Lessor, the company is required to return the land in its original condition. Accordingly provision in respect of Site restoration obligation has been made. The provision required is reviewed and required adjustment made at each year end.

The provision is measured at the present value of the best estimate of the cost of restoration.

Notes to Accounts

(₹ in Lakhs)

iv. **Provision for Onerous contracts - as per Accounting Policy No. 23 of the Company.**
In respect of certain contracts entered into by the company, it is expected that the likely cost to complete the contract would exceed the Revenue received / receivable against the contract. In such cases, provision in respect of the expected losses has been made. The provision required is reviewed and required adjustment made at each year end. The provision is measured at the present value of the best estimate of loss likely to be incurred.

v. Amount debited to opening provision.

vi. An amount of ₹ 13,937 (₹ 7,606) has been debited against Natural Code Heads wrt Warranty Cost. An amount of Nil (Nil) has been debited against Natural Code Heads wrt Site Restoration Obligation.

vii. Performance warranty obligation in respect of sales where back to back warranty of vendor is available, potential liability if any, in the event of default of vendor is not asertainable and not expected to be significant.

viii. During the previous years, warranty provision relating to EVM and VVPAT project was made based on the best estimates of the management as the trend was not established in the normal course. However during the current year as the actual expenditure was lower than as envisaged by the management and hence accordingly excess provision is withdrawn.

A. POST EMPLOYMENT BENEFIT OBLIGATION

(i) GRATUITY :

The Company provides gratuity to employees in India as per payment of Gratuity Act, 1972. The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits fund to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service for not less than five years in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay gratuity to an employee at the rate of fifteen days salary based on the last drawn basic & dearness allowance.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation are as follows :

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation as at the beginning of the year	63,187	61,412
	Current Service Cost	1,713	1,672
	Interest Cost	4,654	4,531
	Past Service Cost	-	-
	Benefits paid	(4,870)	(5,442)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on planned liability - loss / (gains)	5,957	316
	Experience adjustments on planned liability - loss / (gains)	663	698
	Present Value of Obligation as at the end of the period	**71,304**	**63,187**

Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	64,322	64,945
	Expected return on plan assets	4,970	4,803
	Contributions	6,000	0
	Benefits paid	(4,870)	(5,442)
	Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	(720)	16
	Fair value of plan assets as at the end of the period	**69,702**	**64,322**
	Defined benefit (Asset) / liability	**1,602**	**(1,135)**
	Effects of asset ceiling - As at the beginning of the year	**-**	**366**
	Effects of asset ceiling - As at the end of the year	**-**	**(286)**
	Net defined benefit (asset) / liability	**1,602**	**(1,055)**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	1,713	1,672
	Net Interest on Net Defined Benefit Obligations	(317)	(273)
	Past service cost	-	-
	Expenses recognized in the statement of profit and loss	1,396	1,399
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	6,621	1,014
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	721	(16)
	Effect of Balance Sheet Asset limit	(81)	(286)
	Amounts recognised in the statement of Other Comprehensive Income	7,261	712
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	71,304	63,187
	Fair Value of Plan Assets at the end of the period	69,702	64,322
	Funded Status [(Surplus) / Deficit]	**1,602**	**(1,135)**
	Effects of asset ceiling - As at the beginning of the year	**-**	**366**
	Effects of asset ceiling - As at the end of the year	**-**	**(286)**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**1,602**	**(1,055)**
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows :		
	State Govt. Securities	0.12%	1.58%
	Govt. of India Securities	1.22%	1.36%
	High Quality Corporate Bonds	-	1.40%
	Investment with Insurer	98.65%	95.20%
	Others (Bank balance)	0.01%	0.46%

Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
vii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Rate of increase in compensation level	7.00%	7.00%
	Expected rate of Return on Plan Assets	6.65%	7.66%
	Estimated Average Future working life	15.90	16.40
viii)	**Best Estimate of Contribution to be paid :**		
	The best estimate of contribution to be paid towards Gratuity during the annual period beginning after the Balance Sheet is Rs. 1,602 (Nil).		
ix)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.15%	8.16%
	Increase/(decrease) in defined benefit Obligation as at the end of the period	(3,069)	(2,548)
	Discount Rate (0.50% movement)decrease	6.15%	7.16%
	Increase/(decrease) defined benefit Obligation as at the end of the period	3,329	2,750
	Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	1,049	1,015
	Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	(1,133)	(1,080)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

iii. Maturity profile of the Gratuity defined benefit obligation is given below:

Year	As at 31 March 2020	As at 31 March 2019
Year 1	3,091	3,028
Year 2	9,288	8,145
Year 3	6,450	5,971
Year 4	7,031	6,108
Year 5	8,038	6,662
Next 5 years	33,363	34,540

(ii) BEL RETIRED EMPLOYEES CONTRIBUTORY HEALTH SCHEME (BERECHS) :

The Company has a contributory health scheme for its retired employees "BEL Retired Employees' Contributory Health Scheme" (BERECHS), which is non-funded scheme. The primary objective of the scheme is to provide medical facilities to employees retiring on attaining the age of superannuation, or on VRS. Benefits under the Scheme shall be available to the employees who become members and their spouses only. The company takes insurance cover for inpatient treatment. In addition to the annual insurance premium, the Company bears 60% of the medicine cost and 75% of the cost of diagnostic tests for outpatient treatment and for the treatment of specified diseases, the Company bears the full cost of treatment, over and above the insurance coverage.

Notes to Accounts

(₹ in Lakhs)

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation are as follows :

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	55,625	44,872
	Current Service Cost	2,909	2,365
	Interest Cost	4,278	3,464
	Benefits paid	447	(10)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on non-plan liability - loss / (gains)	7,333	3,621
	Experience adjustments on non-plan liability - loss / (gains)	(9,687)	1,313
	Present Value of Obligation as at the end of the period	**60,905**	**55,625**
ii)	**Change in Fair Value of non-plan assets (Reimbursement rights):**		
	Fair value of non-plan assets at the beginning of the year	55,908	47,579
	Expected return on non-plan assets	4,283	3,867
	Contributions	3,836	8,876
	Benefit paid	(3,836)	(3,876)
	Actuarial gain / (loss) on non-plan Assets recognised in other comprehensive income	(352)	(537)
	Fair value of non-plan assets at the end of the period	**59,839**	**55,909**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	2,909	2,365
	Interest on Defined benefit obligation	4,278	3,464
	Net Expenses Recognised in the Statement of Profit & Loss [Expenses : Nil (₹ 547), Provisions : ₹ 7,187 (₹ 5,282)]	**7,187**	**5,829**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on non-plan Obligations	(2,353)	4,934
	Actuarial (gain)/loss on non-plan Assets	352	537
	Amounts recognised in the statement of Other Comprehensive Income	**(2,001)**	**5,471**
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	60,905	55,625
	Fair Value of Plan Assets at the end of the period	-	-
	Funded Status	(60,905)	(55,625)
	Liability recognised in Balance Sheet (as per actuarial valuation)	**60,905**	**55,625**
	Expected to be payable within next twelve months	4,301	4,266
	Expected to be payable beyond next twelve months	56,604	51,359

Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
vi)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Medical inflation rate	6.00%	6.00%
	Attrition Rate	1.00%	1.00%
vii)	**Effect of a one percentage point increase in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :**		
	Effect on the aggregate of the service cost and interest cost	1,098	982
	Effect on the defined benefit obligation	9,313	7,599
	Effect of a one percentage point decrease in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :		
	Effect on the aggregate of the service cost and interest cost	(884)	(804)
	Effect on the defined benefit obligation	(7,423)	(6,220)
viii)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.15%	8.16%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(3,836)	(3,177)
	Discount Rate (0.50% movement)decrease	6.15%	7.16%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	4,304	3,533
	Medical Inflation Rate (0.50% movement)increase	6.50%	6.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	4,350	3,603
	Medical Inflation Rate (0.50% movement)decrease	5.50%	5.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(4,579)	(3,261)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

iii. Maturity profile of the BERECHS defined benefit obligation is given below:

Year	As at 31 March 2020	As at 31 March 2019
Year 1	2,985	3,003
Year 2	3,149	3,173
Year 3	3,320	3,352
Year 4	3,501	3,543
Year 5	3,678	3,732
Next 5 years	20,906	21,444

Notes to Accounts

(₹ in Lakhs)

(iii) EMPLOYEES PROVIDENT FUND [INTEREST SHORTFALL]:

Employees Provident Fund is managed by Provident Fund Trust of the Company. The Company contributes Management's contributions payable towards Employee Provident Fund to the Trust.

The contribution made by the company and shortfall of interest if any, is recognised as an expense in statement of profit and loss under Employee benefits expense. In accordance with the actuarial valuation of provident fund liabilities and based on the assumptions, there is a shortfall in the interest cost as the present value of the expected future earnings of the fund is less than the expected amount to be credited to the individual members based on the expected gauranteed rate of interest of the provident fund trust.

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	2,66,296	2,31,115
	Current Service Cost	11,500	34,793
	Interest Cost	20,793	16,957
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Actuarial (gain) / Loss	1,335	6,352
	Benefits paid	(29,210)	(22,921)
	Contributions	29,354	-
	Present Value of Obligation as at the end of the period	**3,00,068**	**2,66,296**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	2,69,156	2,35,924
	Expected return on plan assets	21,012	18,698
	Contributions*	40,746	35,456
	Benefit paid	(29,210)	(22,921)
	Actuarial gain / (loss) on Plan Assets	(2,060)	1,999
	Fair value of plan assets at the end of the period	**2,99,644**	**2,69,156**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	11,500	34,793
	Interest Cost	20,793	16,957
	Expected return on Plan Assets	(21,012)	(18,698)
	Net Actuarial (gain) / loss recognised in the period	-	4,353
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Expenses Recognised in the Statement of Profit & Loss	**11,281**	**37,405**

Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,00,068	2,66,296
	Fair Value of Plan Assets at the end of the period	2,99,644	2,69,156
	Effect of Balance Sheet asset limit	179	-
	Difference	**603**	**(2,860)**
	Unrecognised Actuarial (gains) / losses	-	-
	Liability recognised in Balance Sheet	**603**	**-**
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,00,068	2,66,296
	Plan Assets	2,99,644	2,69,156
	Effect of Balance Sheet asset limit	179	-
	Surplus/ (Deficit)	(603)	2,860
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(1,259)	(6,342)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	(2,060)	1,999
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	1,335	-
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	2,060	-
	Effect of Balance Sheet asset limit	(2,792)	-
	Amounts recognised in the statement of Other Comprehensive Income	603	-
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	44.68%/61.00%	43.73%/50.74%
	High Quality Corporate Bonds	36.72%/21.10%	39.24%/34.01%
	Mutual Funds	4.36%/1.50%	5.01%/1.75%
	Others	13.27%/12.00%	11.90%/11.76%
	Unsecured, as recoverable from Enterprise **	0.38%/4.30%	0.12%/1.74%
	Recoverable from Corporate for eliminating the net loss incurred by the turst during 2019-20	0.59%/0.10%	-
	Total	**100 % / 100 %**	**100 % / 100 %**
vii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Salary escalation rate	7.00%	7.00%
	Expected rate of Return on Plan Assets	8.80%/8.90%	8.30%/8.75%

***Note:** Includes ₹1,231 towards interest shortfall of the Provident Fund Trust for the current year and provided.

****Note:** The unsecured (principal) portion of the investment which amounts to ₹ 5,740 (₹ 2,050) has been considered by the Trust as a Non-Performing Investment and this amount has been classified as an amount recoverable from the enterprise in the event of default and accordingly provided.

Notes to Accounts

(₹ in Lakhs)

B. Long Term Compensated Absence :

The Company has a Long Term Compensated Absence Scheme for its employees, which is a Non-Funded Scheme. The employees of the Company are entitled to two types of Long Term Compensated Absences: Annual Leave (AL) & Half Pay Leave (HL) in case of Executives and Annual Leave (AL) & Sick Leave (SL) in case of Non-Executives. The scheme provides for compensation to employees against the unavailed Leave (AL & HL in case of Executives and AL & SL in case of Non-Executives) on attaining the age of superannuation, VRS or death. AL can also be encashed during service or at the time of resignation.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amount recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary :

	Particulars	2019-2020	2018-2019
i)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Net Expenses Recognised in the Statement of Profit & Loss [2019-20 Leave Encashed : ₹ 1,073, Provisions : ₹ 8,552] [2018-19 Leave Encashed : ₹ 773, Provisions : ₹ 6,423]	9,625	7,196
ii)	**Amounts to be recognised in Balance Sheet :**		
	Liability recognised in Balance Sheet [As per Actuarial Valuation]	**35,699**	**27,147**
iii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Rate of increase in compensation level	7.00%	7.00%
iv)	Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months/beyond 12 months.		
	Current leave obligations expected to be settled within the next 12 months	3,115	2,417
	Leave obligations expected to be settled beyond 12 months	32,584	24,730
	Total	**35,699**	**27,147**

C. Pension Scheme :

The Company has got a defined contribution pension benefit plan for the benefit of its employees in respect of which contribution is made on an annual basis to a Trust setup for this purpose.

The benefit under the scheme are available for the employees as per the rules laid down in this regard.

i) A narrative description of the specific or unusual risks arising from a defined benefit plan (i.e. Gratuity and BERECHS)

The specific risk relating to defined benefit plans are as follows :-

Movement in long term government bond rate between two reporting periods which will impact discount rate and consequently the present value of obligations. Risk of higher / lower salary escalation / benefit as considered for valuation vis-a-vis the actual experience through the Financial Year. However, both the risks are mitigated on a regular basis i.e. yearly as valuations are done after every year based on updated assumptions.

Notes to Accounts

(₹ in Lakhs)

ii) A narrative description of any asset-liability matching strategies.

The gratuity plan of the company is a funded plan. The assets backing this plan are predominantly insurer-managed funds. Hence the company has limited flexibility in terms of implementing asset-liability matching strategies for this plan. The post retirement medical plan of the company is an unfunded plan. Hence asset-liability matching strategies are not relevant for this plan.

iii) A description of the funding arrangements and funding policy.

The Gratuity plan of the company is a funded plan. 98.65% (95.20%) of the plan assets backing this plan are insurer managed assets and 1.34% (2.94%) of the plan assets are invested in Central and State Government Securities. The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.

The post-retirement medical plan [BERECHS] is an unfunded plan.

	As at 31 March 2020	As at 31 March 2019
NOTE 22 Other liabilities		
Non current		
Deferred revenue - Customer grants	112	475
Sub total (A)	**112**	**475**
Current		
Deferred revenue - Customer grants	363	389
Contract liability		
- Deferred revenue	3,615	4,212
- Customer advance received	8,81,121	7,31,685
Statutory liabilities	31,288	10,762
Others	3,788	2,372
Sub total (B)	**9,20,175**	**7,49,420**
Total (A+B)	**9,20,287**	**7,49,895**

i. **Related Party Disclosure**

For Related Party Disclosures refer Note 31.

ii. **Contract Liability**

An amount of ₹ 1,63,517 (₹ 2,11,035) has been adjusted against opening balance of contract liability out of revenue recognised during the year.

Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
NOTE 23				
Revenue from operations				
Sale of Products	11,27,264		10,56,569	
Income from Services	1,33,512		1,22,353	
		12,60,776		11,78,922
Other operating revenue				
Sale of scrap		542		498
Transport receipts		390		376
Rent receipts		707		627
Canteen receipts		1,233		1,143
Electricity charges collected		203		191
Water charges collected		54		59
Provisions withdrawn				
- Onerous contracts (net)	4,114		4,046	
- Doubtful debts, liquidated damages	4,302		6,854	
- Inventory	6,620		5,278	
- Loans & advances	304		198	
- Performance warranty	5,407		-	
- Others*	93		-	
		20,840		16,376
Govt. Grants including duty drawback		787		664
Customer grants		389		411
Miscellaneous		6,190		9,193
		12,92,111		**12,08,460**

* Includes ₹ 33 towards recoveries out of the receivable from the employee. Refer Note 30 (21).

i. **Disaggregation of revenue recognised against contracts with customers (2019-2020)**

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	9,20,430	1,01,806	72,553	32,475	11,27,264
Income from Services	99,730	29,488	1,682	2,612	133,512
Total	**10,20,160**	**1,31,294**	**74,235**	**35,087**	**12,60,776**

Notes to Accounts

(₹ in Lakhs)

Disaggregation of revenue recognised against contracts with customers (2018-2019)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	6,95,337	3,41,694	6,065	13,473	10,56,569
Income from Services	1,04,865	16,234	908	346	1,22,353
Total	**8,00,202**	**3,57,928**	**6,973**	**13,819**	**11,78,922**

ii. **Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price**

Particulars	2019-2020		2018-2019	
Revenue as per Statement of Profit and Loss				
Sale of Products	11,27,264		10,56,569	
Income from Services	1,33,512		1,22,353	
Total (a)		**12,60,776**		**11,78,922**
Add / (Less) adjustment to contract price				
Foreign Exchange variation claim	(16,830)		(3,647)	
Price revision	-		5,073	
Discount and rebate offered	71		190	
Others	(10,769)		(914)	
Total adjustment (b)		**(27,528)**		**702**
Contract price (a + b)		**12,33,248**		**11,79,624**

Satisfaction of performance obligation

A. In majority of the contract, performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. One of the prime indicator considered for this is transfer of significant risk and rewards to the customer based on Inco terms. Where a contract involves multiple performance obligation, the criteria specified in Ind AS 115 is applied to determine the point in time when the performance obligation is satisfied.

B. Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract. Normally no obligation towards custodial service exists.

C. Contract with the customer normally do not contain significant financial component and any advance payment received and / or amount retained by customer is with intention of protecting either parties to the contract.

D. Variable consideration primarily consists of amount receivable/reimbursable against foreign exchange variation clause. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue on accrual/admittance of claim by customer.

E. The company's turnover mainly includes supply of defence electronics equipments and systems.

F. Contract entered into with customer, typically do not have a return/refund clause.

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

H. The company normally uses the input method to recognise revenue in respect of contracts in which performance obligation are satisfied over a period of time. For revenue recognition, the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised.

Notes to Accounts

(₹ in Lakhs)

I. Contract with customer (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments, networking of equipment and system etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e. output) reliably. Whereas, under input method, the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably), for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

J. For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether customer has obtained "Control on asset".

- Transfer of significant risk and rewards
- Customer has legal title to the asset
- The entity has transferred physical possession of the asset
- Customer has accepted the asset
- Entity has the present right to payment for the asset

K. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligation is based on relative standalone selling price.

L. No non-cash considerations are received/given during the current/previous year.

An amount of ₹ 7,725 (₹ 2,974) (net) has been recognised as revenue during the year out of performance obligation satisfied in previous periods.

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
NOTE 24		
Other income		
Interest income from staff/IT refund/others*	2,552	2,684
Income from long term investments (Dividend)**	426	9,706
Interest income on term deposits	6,496	3,201
Profit on sale of PPE	21	27
Rental income - Investment property	186	162
Foreign exchange gain	-	908
Miscellaneous (net of expenses)	513	266
	10,194	**16,954**

* For related party disclosures refer Note 31.

**Represents Income from subsidiary & associates recognised at Cost.

i. The Foreign Exchange Gain / Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement / reporting date.

Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
NOTE 25				
Changes in inventories of finished goods, work in progress & scrap				
Work-in-progress :				
Closing inventory	1,26,787		1,54,137	
Opening inventory	1,54,137		1,40,949	
		27,350		(13,188)
Finished goods :				
Closing inventory	24,146		22,626	
Opening inventory	22,626		22,691	
		(1,520)		65
Scrap :				
Closing inventory	193		306	
Opening inventory	306		209	
		113		(97)
		25,943		**(13,220)**

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
NOTE 26				
Employee benefits expense				
Salaries, Wages and Bonus/Ex-gratia		1,63,657		1,49,656
Retirement benefit expenses				
Gratuity	1,396		1,399	
Contribution to Provident and Pension Funds	12,319		10,571	
Management Contribution to BEL Superannuation (Pension) Scheme	5,536		5,379	
Provision for BEL Retired Employees Contributory Health Scheme	7,187		5,282	
		26,438		22,631
Welfare Expenses * [including salaries ₹ 1,101 (₹ 1,165) PF contribution ₹ 100 (₹ 101)]		15,654		15,618
		2,05,749		**1,87,905**

* Refer Note 21 (A) (iii), accordingly a provision of ₹ 3,690 (₹ 2,050) is made.

Refer Note 31 for Remuneration to Key Managerial Personnel.

Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
NOTE 27				
Finance costs				
Interest expenses				
Interest on dues to Micro & Small Enterprises	5		1	
Interest expense on lease liability	28		-	
Interest on income tax	-		1,130	
Other interest expenses	263		68	
		296		1,199
Other borrowing cost				
Loan processing charges		30		22
		326		**1,221**

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
NOTE 28		
Depreciation and amortisation expense		
Depreciation/amortization on property, plant & equipment	34,416	31,382
Depreciation on investment property	1	1
Amortization on other intangible assets	363	230
Depreciation on right of use assets	184	9
	34,964	**31,622**

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
NOTE 29				
Other expenses				
Power and fuel*		3,457		3,701
Water charges		431		382
Royalty & technical assistance		257		867
Rent		2,279		2,465
Rates & taxes		847		531
Insurance		1,133		1,041
Auditors remuneration				
Audit Fees	18		18	
Tax audit fees	4		4	
Other services (Certification fees)	6		5	
Reimbursement of expenses	10		6	
		38		33
Cost audit fee		4		4
Repairs & maintenance				
Buildings	2,174		1,989	
Plant & machinery	1,205		1,212	
Others	7,629		7,194	
		11,008		10,395

Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
Bank charges		396		308
Printing & stationery		443		462
Advertisement & publicity		740		1,393
Travelling expenses		11,575		13,808
Hiring charges for van/taxis		1,297		1,558
Packing & forwarding		3,806		2,946
Bad debts & advances written off	23,041		14,074	
Less: Charged to provisions	(22,899)		(13,909)	
		142		165
Provision for obsolete / redundant materials		7,153		14,711
Provision for doubtful debts, liquidated damages, customers' claims & disallowances		36,185		33,268
Provision for doubtful advances, claims		172		3,255
Foreign exchange loss		1,674		-
Provision for performance warranty (net)**		-		9,267
Write off of raw materials, stores & components due to obsolescence & redundancy	229		289	
Less: Charged to provisions	(229)		(269)	
		-		20
Provision others***		-		124
Provision for intangible assets under development		-		3,707
Write off of intangible assets under development		-		1,745
Contract costs charged off		1,247		3,348
Corporate social responsibility		2,912		2,142
Contribution to Defence Innovation Organisation		-		5,000
Others:				
Other Misc. Direct Expenditure	10,749		18,004	
After Sales Service	297		913	
Telephones	1,043		997	
Expenditure on Seminars & Courses	867		817	
Other Selling Expenses	1,288		748	
Miscellaneous	4,729		4,718	
		18,973		**26,197**
Less: Expenditure allocated to capital jobs		(3,336)		(3,269)
		1,02,833		**1,39,574**

* Wind Energy Generated netted off.

** Refer Note 21

*** Provision others of Nil for the financial year 2019-2020 includes ₹ 936 as recoverable from employee and provision for the said recovery for ₹ 936. Refer Note 30 (21).

i. The Foreign Exchange Gain / Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement / reporting date.

Notes to Accounts

(₹ in Lakhs)

NOTE 30

General Notes to Accounts

1. Earnings per equity Share

Particulars		2019-2020	2018-2019
a	**From continuing operations**		
	Basic earnings per share [INR]	7.36	7.91
	Diluted earnings per share [INR]	7.36	7.91
b	Amounts used as the numerators in calculating basic and diluted earnings per share	1,79,383	1,92,729
c	Weighted average number of equity shares used in computing basic and diluted earnings per share	243,65,92,943	243,65,92,943

2. Statement of Compliances

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.] and other relevant provision of the Act.

The Company's standalone financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

3. Operating Cycle

As per the requirement of Schedule III to the Companies Act, 2013, the Operating Cycle has been determined at Strategic Business Unit (SBU) / Unit level, as applicable.

4. Impairment of Assets

The Company has analysed Indications of impairment of assets of each geographical composite manufacturing unit considered as Cash Generating Units (CGU). On the basis of assessment of internal and external factors, an amount of ₹ 124 (₹ 3,831) is provided as provision for impairment.

5. Short Term Borrowings

a. The Company has been sanctioned working capital limit of ₹ 4,00,000 by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes fund based limit of ₹ 50,000 and non fund based limit of ₹ 3,50,000.

b. The interest rate payable on fund based limit is linked to SBI 1 year MCLR Rate. [Interest rate payable as on 31.03.2020 is 7.90 % p.a. (8.55% p.a.)].

c. The amount utilised is repayable on demand. Utilisation as on 31.03.2020 is Nil (Nil).

d. The above sanction limit is secured by hypothecation of Current Assets of the Company (Refer Note 35).

6. Contractual Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
A. Estimated amount of contracts remaining to be executed on capital account and not provided as on 31 March		
Property, plant & equipment	50,403	28,873
Investment property	-	-
Other intangible assets	1,856	2,787

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
B. Contractual commitment for repair and maintenance or enhancement of investment property	-	-
C. Other commitments i.e., Non-cancellable contractual commitments (i.e., cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31 March	-	-

7. Expenditure incurred on Research and Development:

The Company incurred on Research and Development during the year, which are included in the respective natural classification is given below:

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Expenditure		
Materials	22,848	20,601
Employees Remuneration & Benefits	53,715	47,669
Depreciation	8,712	6,575
Others	12,647	13,821
Gross Expenditure	**97,922**	**88,666**

Note : The above expenditure includes ₹ 3,684 (₹ 8,276) which has not been charged off.

8. Contingent Liabilities:

Particulars	As at 31 March 2020	As at 31 March 2019
Claims not acknowledged as debts	1,04,614	23,767
Outstanding Letters of Credit	89,238	38,106
Others	2,945	4,428
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	24,846	34,397

9. Contingent Asset:

Particulars	As at 31 March 2020	As at 31 March 2019
Nil	-	-

10. Confirmation of Balances

Letters requesting confirmation of balances have been sent in respect of Trade Receivables, Trade Payables, Advances and Deposits. Wherever replies have been received, reconciliation is under process and provisions / adjustments are made wherever considered necessary.

11. Labour Disputes

In respect of Labour matters, as the matters are yet to be adjudicated, the liability, if any, is not ascertainable. However, such liability is not expected to be material.

Notes to Accounts

(₹ in Lakhs)

12. Leases

Adoption of Ind AS 116

Effective 1 April, 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach and hence the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the company.

a) As a Lessor:

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year;	399	339
Later than one year and not later than five years;	486	594
Later than five years.	2,910	1

ii) The company has Leased out Point of Sales machines to Government of Haryana for period of five years from 2016-17 to 2021-22

The company has Leased out few portions of Land to different organizations under non-cancellable Operating Lease. Lease period is spread over from the year 1967 to 2077. The leases have various terms, escalation clause, lease renewal rights etc. On renewal, the terms of the lease are renegotiated.

The company has not recognized any income as contingent rent.

b) As a Lessee:

The Company has leases that were classified as finance lease applying Ind AS 17, for such leases the carrying amount of the right of use amount at the date of initial application of Ind AS 116 is the carrying amount of the lease on the transition date as measured applying Ind AS 17. Accordingly an amount of ₹ 1,275 has been reclassified from property, plant and equipment to right of use assets.

On transition, the company recognises right of use asset representing its right to use the underlying asset for the unexpired lease period.

The right of use asset is recognised at :

a) The carrying amount of prepaid rent when no future lease payments are payable; or

b) At the carrying amount and discounted at incremental borrowing rate. Accordingly right of use asset is ₹ 365 and Corresponding lease liability ₹ 365 has been recognised. On application of Ind AS 116 in respect of these assets, nature of expenses has been reclassified from lease rent to depreciation cost for right of use asset and finance cost for interest accrued on lease liability.

The above lease contracts, entered by company pertains to land taken on lease for generation of power through solar project and buildings for business purposes. The company has restriction with respect to disposal of these assets.

The future minimum Lease Rent Payable

Particulars	As at 31 March 2020
Not later than one year;	134
Later than one year and not later than five years;	193
Later than five years.	-

The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed in Note 34.

Notes to Accounts

(₹ in Lakhs)

13. Segment Reporting

Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5 June, 2015 as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.

14. Retention Sales

Due to lockdown on account of COVID-19, physical movement of goods was not possible and the goods have been retained with the company at the customer's request and at their risk. The Value of Retention Sales included in Turnover during the year is ₹ 1,77,962 (₹ 14,139).

Out of the above, the Value of Ex-works Sales is ₹ 29,959 (₹ 4,456).

15. Foreign Exchange Exposure

Pursuant to the announcement of the ICAI requiring the disclosure of "Foreign Exchange Exposure", the major currency-wise exposure as on 31 March 2020 is given below. [Foreign currencies are shown in Lakhs]. (Previous year figures are shown in brackets).

Currency	Payables		Receivables / Contract Asset		Contingent Liability*	
	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent
USD	1,609	1,22,848	267	19,891	980	74,812
	(659)	(46,179)	(52)	(3,555)	(383)	(26,834)
EURO	139	11,753	6	451	91	7,711
	(154)	(12,229)	(3)	(250)	(104)	(8,273)
GBP	14	1,300	-	-	12	1,142
	(23)	(2,095)	-	-	(2)	(195)
JYEN	136	96	-	-	17	12
	(45)	(29)	-	-	-	-
CHF	22	1,785	-	-	-	-
	(41)	(2,921)	-	-	(2)	(125)
OTHERS	41	230	-	600	-	-
	(1)	(517)	-	(846)	-	(14)
Total (₹)		**1,38,012**		**20,942**		**83,677**
		(63,970)		**(4,651)**		**(35,441)**
Amount covered by Exchange Rate variation clause from Customers out of the above		83,644		-		4,298
		(30,416)		-		(8,299)

* includes exposures relating to outstanding Letters of Credit and Capital Commitments.

During the FY 2019-2020, the Company has entered Forward Contracts to cover Foreign Currency fluctuations in respect of Firm Commitments. There are no outstanding Forward Contracts as on 31.03.2020.

Notes to Accounts

(₹ in Lakhs)

16. Disclosure relating to CSR Expenditure

a. Gross amount required to be spent by the Company during the FY 2019-2020 is ₹ 4,310 (₹ 3,543).

b. Amount spent during the FY 2019-2020:

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total	Appropriation for unspent amount	CSR Grand Total
i)	Construction / Acquisition on any asset	-	-	-	-	-
ii)	Purposes other than (i) above	3,117	-	3,117	1,193	4,310
		(2,291)	(20)	(2,311)	(1,232)	(3,543)

Above expenses includes CSR Administration Overhead of ₹ 205 (₹ 169) which is grouped under Employee benefits expense.

c. Movement of CSR Provision

Sl. No.	Particulars	2019-2020	2018-2019
i	As at 1 April	4,217	4,360
ii	Additional provision recognised during the year*	1,193	1,232
iii	Less: Amount used during the year	1,925	1,375
iv	Less: Amount reversed during the year	-	-
v	As at 31 March	3,485	4,217

* Includes provision towards interest earned from CSR funds Nil (Nil).

17. COVID - 19 Impact

The outbreak of CORONA Virus (COVID-19) Pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current Indicators of future economic conditions, there is no material impact on the financial statements of the company.

In the preparation of financial statements, the company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract / penalties for non fulfillment of contractual obligations.

Major customers of the company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities the company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees, vendors all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any, on the future operational and financial performance of the company would be different from management estimates in this regard, the company will continue to closely monitor any changes as they emerge.

18. Dividend not recognised at the end of the reporting period

The directors have recommended a final dividend of INR 1.40 (INR 1.70) per share [represents absolute figure].

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would results in cash outflow of approximately of ₹ 34,112.

Notes to Accounts

(₹ in Lakhs)

19. The company has re-classified receipt of grant from operating activities to investing activities as a reduction in purchase of property, plant and equipment for better presentation.

20. Value of remaining Performance Obligations (pending orders to be executed)

Unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied (Pending orders to be executed)

Particulars	Total Amount	Within a Year	1 - 2 Years	2 - 3 Years	More than 3 Years
Unexecuted order value	51,97,318	16,18,470	16,46,795	10,10,343	9,21,710

Typically major orders are from defence which involves long gestation period. Company expects to recognise revenue in respect of unsatisfied (or partially unsatisfied) performance obligation over a period of 3 - 5 years.

21. During the year, a fraud on the company by the employees amounting to ₹ 1,000 has been detected during the routine internal audit. Out of the said amount, ₹ 64 has been recovered and the balance amount of ₹ 936 is recognised as receivable, pending recovery, the same has been provided for as doubtful in the statement of profit and loss. The company has initiated appropriate actions and the investigation is in process.

22. An amount of ₹ 25 (₹ 50) has been contributed to Defence production IT Division which has been created as one of the division of HAL to implement IT related initiatives in Dept. of Defence Production including Ordnance Factory Board (OFB) and Defence Public Sector Units.

23. Figure in brackets relate to previous years.

24. All figures in financial statement are rounded off to nearest lakhs unless otherwise mentioned.

25. The standalone Ind AS financial statements were approved for issue on 29th June 2020 by the Board of Directors.

NOTE 31
Related Party Transactions

a. **Subsidiaries & Associates**

Name of the Entity	Place of Business	Ownership interest held by the company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
BEL Optronic Devices Ltd. (BELOP) - Subsidiary	India	100%	100%	-	-	Manufacture and Supply of Image Intensifier Tubes.
BEL - THALES Systems Ltd. - Subsidiary	India	74%	74%	26%	26%	Design, Develop, Supply and Support of Defence and Civilian Radars.
Defence Innovation Organisation - Associate	India	50%	50%	50%	50%	Carrying out Defence related Research and Developmental activities.
GE BE Private Limited - Associate	India	26%	26%	-	-	Manufacturing of Medical Equipments.

Notes to Accounts

(₹ in Lakhs)

b. **Key Management Personnel's Details**

i. **Name of Key Management Personnel**

Mr M V Gowtama, Chairman & Managing Director
Mrs Anandi Ramalingam, Director [Marketing]
Mr Koshy Alexander, Director [Finance] & CFO
Mr Mahesh V, Director [R&D]
Mr Vinay Kumar Katyal, Director [BG Complex]
Mr Shivakumaran K M, Director [HR] from 11.06.2019
Mrs Shikha Gupta, Director [Other Units] from 01.12.2019
Mr Nataraj Krishnappa, Director [Other Units] upto 30.11.2019
Mr Bagdalkar R N, Director [HR] upto 30.05.2019
Mr S Sreenivas, Company Secretary

ii. **Compensation to Key Management Personnel**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Short term employee benefits	445	358
Post employment benefits	14	12
Long term employee benefits	63	52
Termination benefits	-	-
Share based payment	-	-
Total	**522**	**422**

c. **The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) : -**

Particulars	Subsidiaries		Associates		Grand Total
	BEL Optronic Devices Ltd (BELOP)	BEL-THALES Systems Ltd	GE BE Private Ltd	Defence Innovation Organisation	
Purchase of Goods	566	2,379	-	-	**2,945**
	(3,695)	-	-	-	**(3,695)**
Sale of Goods	-	586	2,519	-	**3,105**
	-	(30)	(2,477)	-	**(2,507)**
Services Received	-	522	-	-	**522**
	-	(614)	-	-	**(614)**
Services rendered	-	842	-	-	**842**
	(1)	(111)	-	-	**(112)**
Rent Received (Lease)	-	41	-	-	**41**
	-	(39)	-	-	**(39)**

Notes to Accounts

(₹ in Lakhs)

Particulars	Subsidiaries		Associates		Grand Total
	BEL Optronic Devices Ltd (BELOP)	BEL-THALES Systems Ltd	GE BE Private Ltd	Defence Innovation Organisation	
Interest Income	356	-	-	-	**356**
	(486)	-	-	-	**(486)**
Dividend Income on Investments	426	-	-	-	**426**
	(346)	-	(9,360)	-	**(9,706)**
Loan disbursed	320	-	-	-	**320**
	(817)	-	-	-	**(817)**
Purchase of Shares	2,833	-	-	-	**2,833**
	(1,449)	-	-	-	**(1,449)**
Contribution during the year	-	-	-	-	**-**
	-	-	-	(5,000)	**(5,000)**
Reimbursement of expenses	-	-	-	-	**-**
	-	-	-	(3)	**(3)**
Loan Outstanding (including Interest) as on 31.03.2020*	1,653	-	-	-	**1,653**
	(2,987)	-	-	-	**(2,987)**
Trade Payables Outstanding as on 31.03.2020	238	400	-	-	**638**
	(377)	(137)	-	-	**(514)**
Trade Receivables Outstanding as on 31.03.2020	-	950	691	-	**1,641**
	(1)	-	(764)	-	**(765)**
Investment in Equity as on 31.03.2020	16,819	4,264	260	1	**21,344**
	(13,985)	(4,264)	(260)	(1)	**(18,510)**
Advances for Purchase outstanding as on 31.03.2020	-	-	-	-	**-**
	(3,836)	-	-	-	**(3,836)**
Advance for sales outstanding as on 31.03.2020	-	-	-	-	**-**
	-	-	(6)	-	**(6)**
Contribution oustanding as on 31.03.2020	-	-	-	4,000	**4,000**
	-	-	-	(4,500)	**(4,500)**

Directors sitting fees :

The sitting fees paid to non executive Directors is ₹ 20 as at 31 March 2020 and ₹ 15 as on 31 March 2019 respectively.

d. All transactions dealt with related parties are on arm's length basis. In respect of loan to subsidiary (BELOP) refer note "g" below.

e. All Outstanding balances are Unsecured. All Outstanding balances (Other than loan) is repayable in cash within next 6 months. For Outstanding balance of loans refer note "g" below.

Notes to Accounts

(₹ in Lakhs)

f. The Company has entered into an Agreement with BELOP in April, 2013 to temporarily fund the amount of ₹ 10,416 [₹ 26,040 less ₹ 15,624] for enabling BELOP to make payment towards ToT for XD-4 II Tubes, pending receipt of balance amount from MoD. As on 31.03.2020, an amount of ₹ 9,851 (₹ 9,851) has been paid to BELOP, out of which an amount of ₹ 7,109 (₹ 7,109) has been received from MoD. The balance amount of ₹ 2,742 (₹ 2,742) has been shown under Other Financial Assets - Non Current. (Refer Note 9).

As per the Agreement, an amount of ₹ 181 (₹ 221) has been recovered during the financial year from BELOP towards the cost of funds.

g. **Loans to Related Parties**

1. The Company has entered into an agreement with BELOP in July 2015 to temporarily fund its Working Capital requirement to the maximum extent of ₹ 5,000 which was fully disbursed by 31.03.2016 and no amount is outstanding as on 31.03.2020.

2. The Company has entered into an agreement with BELOP in August 2016 to fund a Term Loan of ₹ 4,600 out of which ₹ 2,668 has been disbursed as on 31.03.2020 and an amount of ₹ 1,653 (including interest) is outstanding as on 31.03.2020.

   i) The principal amount will be repaid in 36 equal installments with effect from August 2019.
   ii) Interest will be charged on the outstanding loan amount, on monthly basis, at BEL's rate of yield on its deposits or the interest rate yield on a five year Government of India Bond, whichever is higher.

3. * Loan outstanding does not include ₹ 13 (₹ 34) adjusted on account of loan given to subsidiary (BELOP) at below market rate.

h. **Management Contracts including deputation of Employees**

Two Official of BEL has been deputed to BELOP (Subsidiary) and Eight Officials of BEL have been deputed to BEL-THALES Systems Limited (Subsidiary) and their Salary and Other Costs is paid by BELOP and BEL-THALES System ltd. respectively during the year as per terms and conditions of employment.

i. **Transaction with Government and Government Related Entities**

As BEL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions : -

An amount of ₹ 40,612 (₹ 31,364) was paid as Dividend during the FY 2019-2020. In addition to the above, around 91% (98%) of the Company's Turnover, around 97% (95%) of Trade Receivables and around 99% (98%) of Customer's Advance is with respect to government and government related entities.

j. Investment with respect to BELOP includes fair valuation of loan.

k. Defence Innovation Organisation (DIO) was incorporated on 10th April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises in Bengaluru.

Notes to Accounts

(₹ in Lakhs)

NOTE 32
Interest in Associate

Name of the Entity		GE BE Private Limited
Place of Business/Place of Incorporation		India
% of ownership interest		26%
Relationship		Associate
Carrying Amount	2019-2020	16,216
	2018-2019	(13,024)

Fair Value of the investment in Associate is not disclosed as the equity of GE BE Private Limited is unquoted.

GE BE Private Ltd is a manufacturer of medical instruments and its products complement the business segment of Components SBU of BEL Bangalore Complex and BEL Pune unit.

Carrying amount of the Company's interest in GE BE Private Ltd. (Audited)

Summarised Balance Sheet	As at 31 March 2020	As at 31 March 2019
Non - Current assets	22,736	20,269
Current assets:		
Cash and Cash equivalents	338	761
Other assets	63,655	48,241
Total current assets	**63,993**	**49,002**
Total assets	**86,729**	**69,271**
Non - current liabilities:		
Financial liabilities other than trade payables	56	-
Other liabilities	1,010	1,006
Total non - current liabilities	**1,066**	**1,006**
Current liabilities:		
Financial liabilities other than trade payables	1,176	551
Other liabilities	22,117	17,622
Total current liabilities	**23,293**	**18,173**
Total liabilities	**24,359**	**19,179**
Net assets	**62,370**	**50,092**
Company's share of Net assets	**16,216**	**13,024**

Notes to Accounts

(₹ in Lakhs)

Summarised Statement of Profit & Loss	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Revenue	1,21,366	1,09,420
Interest Income	1,541	3,523
Depreciation and amortisation	3,112	2,716
Interest expense	41	117
Income tax expense	4,011	8,343
Profit for the year	12,369	14,862
Other comprehensive income	(91)	(56)
Total comprehensive income	12,278	14,806
Company's share of Profit	3,216	3,864
Company's share of OCI	(24)	(15)
Company's share of total comprehensive income	3,192	3,849

The Company has received Dividend of Nil (₹ 9,360).

Reconciliation of carrying amounts

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Opening net assets	**13,024**	**20,458**
Profit for the year	3,216	3,864
Other comprehensive income	(24)	(15)
Dividend paid (including Divided Distribution Tax)	-	11,283
Closing net assets	**16,216**	**13,024**

Commitments and Contingent Liabilities in respect of Associate

Particulars	GE BE Private Ltd.	
	As at 31 March 2020	As at 31 March 2019
Capital Commitments	268	320
Other Commitments	-	-
Other Contingent Liabilities	831	803

Name of the Entity		Defence Innovation Organisation
Place of Business / Place of Incorporation		India
% of ownership interest		50%
Relationship		Associate
Carrying Amount	2019-2020	1
	2018-2019	1

Notes to Accounts

(₹ in Lakhs)

NOTE 33

Financial Instruments - Fair Value Measurements

1. Accounting classification and fair values

The following tables shows the carrying amount and fair values of financial assets and liabilities:

Particulars		As at 31 March 2020			As at 31 March 2019		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets measured at fair value							
I	**Investments**						
i	Equity Instruments – Mana Effluent treatment Pvt Ltd	-	11	-	-	9	-
ii	Equity instruments - Defence Innovation Organisation	-	1	-	-	1	-
iii	Other Investments						
a.	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment & BERECHS)	94,811	-	-	83,408	-	-
	Sub Total	**94,811**	**12**	-	**83,408**	**10**	-
Financial Assets not measured at fair value							
II	Trade Receivables	-	-	6,73,291	-	-	5,36,921
III	**Loans**						
a	Security deposits	-	-	4,068	-	-	3,463
b	Loans to Related Parties	-	-	1,640	-	-	2,953
c	Loans to Employees	-	-	863	-		871
d	Loans to Others	-	-	-	-	-	-
IV	Cash and cash equivalents	-	-	1,55,622	-	-	72,193
V	Other Bank Balances	-	-	148	-	-	16,205
VI	**Other Financial Assets**						
a	Advance to Employees	-	-	178	-	-	130
b	Advance to Others	-	-	2	-	-	3
c	Non trade receivables	-	-	1,056	-	-	749
d	Interest accrued but not due on term deposits	-	-	26	-	-	95
e	Other financial Assets	-	-	4,486	-	-	5,395
	Other Investments						
a	Investment in Co-operative societies, Housing Societies etc.*	-	-	-	-	-	-
b	Investment in Subsidiaries	-	-	21,084	-	-	18,249
c	Investment in Associate	-	-	260	-	-	260
	Sub Total	-	-	**8,62,724**	-	-	**6,57,487**
	Total	**94,811**	**12**	**8,62,724**	**83,408**	**10**	**6,57,487**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

Notes to Accounts

(₹ in Lakhs)

Particulars		As at 31 March 2020			As at 31 March 2019		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Liabilities measured at fair value							
Total		**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities not measured at fair value							
I	Borrowings	-	-	-	-	-	-
II	Trade Payables	-	-	2,42,495	-	-	1,43,527
III	**Other Financial Liabilities**						
a	Security Deposits	-	-	22,349	-	-	13,264
b	Current Maturities of Long Term Debt	-	-	833	-	-	3,334
c	Interest accrued and due on term loan	-	-	-	-	-	29
d	Interest Accrued and due on Trade Payables	-	-	7	-	-	3
e	Other Trade payables	-	-	13,805	-	-	13,600
f	Unpaid Matured Deposits	-	-	37	-	-	37
g	Unpaid Dividend	-	-	148	-	-	7,105
h	Non Trade Payables dues to Micro and Small Enterprises	-	-	270	-	-	111
i	Outstanding Expenses	-	-	49,443	-	-	67,512
j	Other Lease liability	-	-	297	-	-	-
k	Other Liabilities	-	-	940	-	-	1,665
	Total	**-**	**-**	**3,30,624**	**-**	**-**	**2,50,187**

2. Fair value hierarchy

The hierarchy levels used for Fair value measurements of Financial instruments wherever applicable is given below:

Particulars		Note	As at 31 March 2020			As at 31 March 2019		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I	**Financial Assets and Liabilities measured at Fair value – recurring fair value measurements**							
A	Financial Assets							
i	Financial Investments at FVPL	6	-	94,811	-	-	83,408	-
ii	Financial Investments at FVOCI - Unquoted	6	-	-	12	-	-	10
II	**Financial Assets and Liabilities which are measured at Amortised Cost**		No separate Fair value is disclosed as the Carrying value of these Assets and Liabilities represents their Fair Value.					

Level 1: Level 1 hierarchy includes Financial instruments measured using quoted prices.

Level 2: The fair value of Financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case of unlisted equity shares.

Notes to Accounts

(₹ in Lakhs)

3. Valuation technique used to determine Fair Value

a. LIC Investment - (Level 2)
Based on valuation report of the Scheme provided by LIC.

b. Mana Effluent Treatment Plant Ltd - (Level 3)
BEL has invested in equity securities of Mana Effluent Treatment Plant Ltd. which is an unlisted company. The Company's cost of investment in Mana Effluent Treatment Plant Ltd is only ₹ 5 (out of issued Share Capital of ₹ 163). The company has opted for Net Asset Value method for fair valuation.

c. Defence Innovation Organisation (DIO) - (Level 3)
BEL has contributed to equity capital of M/s Defence Innovation Organisation (DIO), a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an objective of funding innovation in defence sector. The company has opted for Net Asset Value method for fair valuation.

NOTE 34

Financial risk management

i) Risk Management framework and policies

The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates, interest rates and price risk) as a result of financial instruments.

Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the Company's Risk Management framework. The Board has set up a Risk Management Committee, for this purpose, which is responsible for developing and monitoring the risk management policies. The Company has an established Risk Management Policy that outlines risk management structure and provides a comprehensive frame work for identification, evaluation, prioritization, treatment of various risks associated with different areas of finance and operations.

The company has a centralized Treasury function which is responsible to undertake appropriate measures to mitigate financial risk in accordance with the policies and procedures formulated by the Board. Hedging transactions are undertaken by a team with appropriate skills and experience in consultation with an external expert. The Company does not trade in derivatives for speculation.

ii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk).

iii) Currency Risk

BEL is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro, Great Britain Pound and Japanese Yen. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The Company has a Board approved currency risk management policy implemented by a Risk Management Committee that reviews the Company's exposure to this risk on a regular basis. The Risk Management Policy recommends hedging

Notes to Accounts

(₹ in Lakhs)

upto 50% of the open foreign currency exposure. However the decision to enter into a hedging arrangement is made by the Risk Management Committee based on the relevant data inputs and the advice of the external specialist consultant retained for this purpose.

The Company's export proceeds are realized mostly by remittance into an Export Earners Foreign Currency account (EEFC) which is then utilised for payments to be made in foreign currency, thereby mitigating the currency risk on exports. Imports to the extent of around 7% (10%) of annual foreign exchange outgo are not covered by the Exchange Rate Variation (ERV) clause in the related customer contract and hence are open to currency risk. These imports are benchmarked as per the policy and appropriate decision on covering the risk is taken on a case to case basis. The Company's currency risk policy advocates forward contract hedging for mitigating risk wherever required.

As on 31 March 2020, there are no outstanding forward contracts.

The company's exposure to foreign currency risk in respect of major currencies is given below:

Particulars	As at 31 March 2020					As at 31 March 2019				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	1,609	139	14	22	136	659	154	23	41	45
Trade Receivable / Contract Asset	267	6	-	-	-	52	3	-	-	-
Net Exposure	1,342	133	14	22	136	607	151	23	41	45

iv) Foreign Currency Sensitivity

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. The sensitivity to variations in respect of major currencies is given below. This analysis assumes that all other variables remain constant.

Particular	Impact on Profit	
	As at 31 March 2020	As at 31 March 2019
USD – Increase by 5%	5,122	2,127
USD – Decrease by 5%	(5,122)	(2,127)
EURO – Increase by 5%	564	600
EURO – Decrease by 5%	(564)	(600)
GBP – Increase by 5%	65	105
GBP – Decrease by 5%	(65)	(105)
CHF – Increase by 5%	89	146
CHF – Decrease by 5%	(89)	(146)
J Yen – Increase by 5%	5	1
J Yen – Decrease by 5%	(5)	(1)

v) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

Notes to Accounts

(₹ in Lakhs)

vi) Variable Rate Borrowing

The company has been sanctioned a Term Loan of ₹ 10,000 on 31.03.2017 [Outstanding as on 31 March 2020 is ₹ 833 (₹ 3,334)]. Interest payable on this loan is based on SBI's Minimum Commercial Lending Rate - MCLR. [SBI is eligible to reset the interest charged on yearly basis]. There would be an additional outflow of cash of ₹ 8 if the interest rate goes up by 1% and saving of ₹ 8 in cashflow if interest rate goes down by 1%. The impact on the statement of profit and loss will not be significant.

In addition the company has been sanctioned a working capital limit of ₹ 4,00,000. The sanctioned limit includes fund based limit of ₹ 50,000 and non fund based limit of ₹ 3,50,000. The fund based limit of ₹ 50,000 has not been utilised during the year [Outstanding as on 31 March 2020 is Nil (31 March 2019 is Nil)]. The outstanding balance as on 31.03.2020 with respect to non fund based limit is ₹ 3,14,236 (₹ 1,88,007). The interest is payable based on SBI's 1 year MCLR rate. As the borrowing is nil there is no impact on likely change in interest rates.

vii) Equity Price Risk

The company's exposure to equity price risk is negligible as its equity investment (other than in Subsidiaries and Associate) is negligible.

viii) Liquidity Risk

Liquidity Risk is the risk that a Company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fulfill its commitments. The Company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the Company has access to short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The Company meets its liquidity requirement mainly through internally generated cash flows which is monitored centrally by treasury. There is an established process of rolling cash forecasts from various operating units which form the basis for mapping expected cash inflows, to meet the liabilities.

The table below analyses the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

As at 31 March 2020

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 year	Between 2 & 5 year	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,27,244	11,553	3,678	20	-	-	2,42,495
Current Maturities of Long Term Debts	833	-	-	-	-	-	833
Interest accrued and due on Trade Payables	7	-	-	-	-	-	7
Lease Liability	35	31	48	90	89	4	297
Other Financial Liabilities	71,546	1,782	8,913	4,707	44	-	86,992

Notes to Accounts

(₹ in Lakhs)

As at 31 March 2019

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	1,36,081	5,113	2,307	26	-	-	1,43,527
Current Maturities of Long Term Debts	833	834	1,667	-	-	-	3,334
Interest accrued and due on Trade Payables	1	-	2	-	-	-	3
Other Financial Liabilities	88,565	1,651	10,078	3,029	-	-	1,03,323

The company does not have any outstanding derrivatives as on 31 March 2020.

ix) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalent with banks, security deposits and loans.

The credit risk of the Company is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers and other receivables. Significant amount of trade receivables are due from Government / Government Departments, Public Sector Companies (PSUs) consequent to which the Company does not have a credit risk associated with such receivables. In case of non Government trade receivables, sales are generally carried out based on Letter of Credit established by the customer thereby reducing the credit risk.

In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such payments. Impairment losses on financial assets (representing mainly liquidated damages leviable for delayed deliveries and other disallowances) have been made after factoring contractual terms, etc and other indicators.

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of upto 1 year. The Company has a well structured Risk Mitigation Policy whereby there are preset limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The Company has not incurred any losses on account of default from banks on deposits.

The credit risk in respect of other financial assets is negligible as they are mostly due from Government department / parties.

Loan of ₹ 1,653 (₹ 2,987) is outstanding [as on 31.03.2020] from BELOP [100% subsidiary company]. The subsidiary company has been regular in repayment of its dues (Interest and Principal) and no credit risk is expected in terms of repayment of the loan amount.

x) Capital Management

The Company's Capital Management objective is to maintain a strong capital base to provide adequate returns to the shareholders and ensure the ability of the company to continue as a going concern. The Company has a conservative approach for raising capital through debt but reserves the right to leverage this alternative at an appropriate time to fuel growth and maintain optimal capital structure.

Notes to Accounts

(₹ in Lakhs)

The Company has a well defined Dividend Distribution Policy which lays the framework for payments of dividend and retention of surplus for future growth and enhancing shareholders wealth. The company has borrowed an amount ₹ 10,000 from Bank for construction of quarters. [Outstanding as on 31 March 2020 is ₹ 833 (₹ 3,334)] [Refer Note 18 & 20]. The Company has been sanctioned borrowing limits with banks to the tune of ₹ 4,00,000.

Gearing Ratio:

Particulars	As at 31 March 2020	As at 31 March 2019
Net Debt	833	3,334
Total Equity	9,85,294	9,01,889
Net Debt to Equity Ratio	0.001:1	0.004:1

NOTE 35

Assets pledged as security

The carrying amounts of assets pledged as security for Term Loan and Working Capital borrowings are:

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Inventories	3,91,020	4,41,365
(ii) Trade Receivables	6,73,291	5,36,921
(iii) Cash & Cash Equivalents	1,55,620	72,190
(iv) Bank Balances [Other than (iii) above]	-	9,100
(v) Loans	3,262	3,282
(vi) Other Financial Assets	2,903	3,567
(vii) Other Current Assets	5,94,587	4,67,945
Total assets pledged as security	**18,20,683**	**15,34,370**

Refer Note 18 & 20 for the details of borrowings.

NOTE 36

Critical estimates and judgments

While preparing the financial statements, management has made certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements and estimates that have a significant risk of resulting in a material adjustment are as under:

i. **Research and Development Expenditure - Accounting Policy No. 10 - (Refer Note 5 and 12)**

Developmental expenditure incurred with respect to No Cost No Commitment (NCNC) Projects and Joint developmental projects which are not fully compensated by the development partner are carried forward till the completion of project.

Notes to Accounts

(₹ in Lakhs)

ii. **Estimation of defined benefit obligation - Key actuarial assumptions - (Refer Note 21)**

iii. **Estimation of provision for warranty claims - (Refer Note 21)**

Warranty provision computation involves estimation of average warranty cost based on trend based analysis. If the estimations made varies, the same will impact the expense recognised.

iv. **Recognition of Revenue - (Refer Note 23)**

Input methods towards performance obligations over time involves estimation of Stage of completion based on actual costs incurred to the estimated total costs expected to complete the contract. If the estimations made varies, the same will impact the Revenue recognised.

v. **Intangible assets (Refer Note 4 and 5)**

Amount carried forward as other intangible assets and Intangible assets under development are tested for impairment annually with respect to certainity of future economic benefits.

vi. **Lease (Refer Note 1)**

The company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of lease requires significant judgements. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

NOTE 37

Uncertainity over Income tax treatment

The Company has on-going disputes with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The disputes are on account of disallowances of certain expenses like depreciation claimed on Energy Saving Devices, Provision for Liquidated Damages and Foreign Exchange Loss on capital assets. These matters are pending before the forum of Tax Authorities.

The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

NOTE 38

Recent accounting pronouncements

Ministry of Corporate Affairs (MCA) notifies new standard or amendment to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

SIGNIFICANT ACCOUNTING POLICIES ON IND AS STANDALONE FINANCIAL STATEMENTS

Corporate Information

The accompanying financial statements comprise the financial statements of Bharat Electronics Limited (the Company). The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Bharat Electronics Limited's shares are listed on two recognised stock exchanges in India. The registered office and principal place of business of the Company is located at Bengaluru, Karnataka, India.

The Company is a public sector enterprise under the administrative control of the Department of Defence Production, Ministry of Defence. Bharat Electronics Limited manufactures and supplies electronic equipment and systems to defence sector. Other than defence sector, the Company has also got a limited presence in the civilian market.

Significant Accounting Policies

1. Basis of Preparation

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP) comprises the mandatory Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability and contingent assets as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account of all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

3. Basis of Measurement

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- The defined benefit asset / liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

4. Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company.

5. Revenue Recognition

A. **Revenue from Contract with Customers**

i. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised goods or services (i.e., an Asset) to a Customer.

ii. **Satisfaction of performance obligation over time**

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

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

iii. **Satisfaction of performance obligation at a point in time**

a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.

b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- the company has transferred physical possession of the asset
- the customer has legal title to the asset
- the customer has accepted the asset
- when the company has a present right to payment for the asset
- the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.

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

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

c. Bill and hold Sales

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

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

iv. **Measurement**

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

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

In case of price escalation and ERV, where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

b. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

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

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

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

v. **Penalties**

Penalties (including levy of liquidated damages for delay in delivery) specified in a contract are not treated as an inherent part of Transaction Price if the levy of same is subject to review by the customer.

vi. **Significant financing component**

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

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

B. **Other Income**

Recognition of other income is as follows:

i. **Interest Income**

Interest income is recognised using the effective interest rate method.

ii. **Dividend Income**

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

iii. **Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increase in rentals are in line with expected inflation or otherwise justified.

iv. **Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

v. **Other Income**

Other income not specifically stated above is recognised on accrual basis.

6. Property, Plant and Equipment, Capital Work-in-Progress

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and cumulative impairment losses, if any. Cost for this purpose includes all attributable costs for bringing the asset to its location and condition. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

The cost of property, plant and equipment not ready for their intended use as at each reporting date is disclosed as capital work-in-progress.

Capital work-in-progress comprises supply-cum-erection contracts; the value of capital supplies received at site and accepted, capital goods in transit and under inspection.

7. Intangible Assets, Intangible Asset under Development

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits,

is recognised as an Intangible Asset in the books of accounts when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the reporting date are classified as "Intangible Assets under Development".

Cost of Developmental work which is completed, wherever eligible, is recognised as an Intangible Asset.

Cost of Developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".

Intangible Asset under Development includes amount funded by the company to external agencies towards developmental project(s) and expenditure incurred by the company towards material cost, employee cost and other direct expenditure.

8. Depreciation / Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company, based on technical assessments, depreciates certain items of building, plant and equipment and other asset classes over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Where cost of a part of the asset is significant to total cost of the asset and estimated useful life of that part is different from the estimated useful life of the remaining asset, estimated useful life of that significant part is determined separately and the significant part is depreciated on straight-line basis over its estimated useful life.

The residual values, useful lives and methods of depreciation / amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The residual values, useful lives and amortisation methods, are reviewed at each financial year end and adjusted prospectively, if appropriate.

9. Disposal of Property, Plant and Equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

10. Research and Development Expenditure

(i) Expenditure on Research activity is recognised as an expense in the period when it is incurred.

(ii) Development expenditure (other than on specific development - cum sales contracts and Developmental projects initiated at customer's request), is charged off as expenditure when incurred. Developmental expenditure on development – cum - sale contracts and on Developmental projects initiated at customer's request are treated at par with other sales contracts.

Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected.

Developmental projects are reviewed periodically and the amount carried forward, if any, is charged off in the event of the project being declared closed by the customer / end user without any commitment to place order.

(iii) Expenditure incurred towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

(iv) Expenditure incurred on Developmental projects for participating in No Cost No Commitment (NCNC) trials, based on Request for Quote from customer, are carried forward till conclusion of the trials and will be amortised over the orders to be received.

In case customer order is immediately not forthcoming:

- the amount is capitalised if further economic benefit is expected from its use, or
- the amount is charged off in the event of the project being closed by the customer / end user without any commitment to place order.

11. Expenditure on Technical Know-How

Expenditure incurred on technical know-how is charged off to Statement of Profit and Loss on incurrence unless it qualifies for recognition as an Intangible Asset either separately on its own or in combination with other assets / expenses.

12. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in determining fair value less costs of disposal.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

14. Leases

Company as a Lessee:-

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

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

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

the underlying asset and presented as part of Plant, property and equipment.

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

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

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

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

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

Company as a lessor:

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

a) **Finance Lease :**

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

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

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

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

b) **Operating lease:**

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

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

15. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to general borrowings outstanding, other than specific borrowings. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

16. Government Grants

Grants from Government are measured at fair value and initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Asset is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the

respective assets to the extent attributable to Government Grants utilised for the acquisition.

The amount lying in Deferred Income on account of Revenue Expenses is transferred to the credit of Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the government grant received.

17. Investments in Joint Venture and Associates

The Company accounts for it's interests in associates and joint ventures in the separate financial statements at cost.

18. Inventories

All inventories of the Company other than disposable scrap are valued at lower of cost or net realisable value. Disposable scrap is valued at estimated net realisable value. Cost of materials is ascertained by using the weighted average cost formula.

Cost of Work - in - progress and finished goods include Materials, Direct Labour and appropriate overheads. Adequate provision is made for inventory which are more than five years old which may not be required for further use.

19. Income Taxes

Income tax comprises of current and deferred tax.

(i) **Current Income Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

(ii) **Deferred Tax**

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

20. Provision for Warranties

Provision for expenditure on account of performance guarantee & replacement / repair of goods sold is made on the basis of trend based estimates.

21. Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency by using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

22. Employee Benefits

(i) All employee benefits payable wholly within twelve months of rendering the related services are classified as short term employee benefits and they mainly include (a) Wages & Salaries; (b) Short-term compensated absences; (c) Profit-sharing, incentives and bonuses and (d) Non-monetary benefits such as medical care,

subsidised transport, canteen facilities etc., which are valued on undiscounted basis and recognised during the period in which the related services are rendered.

(ii) Incremental liability for payment of long term compensated absences such as Annual Leave, Sick Leave and Half Pay Leave is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit method and the carrying value of the provision contained in the balance sheet and provided for.

(iii) Incremental liability for payment of Gratuity and Employee Provident fund to employees is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit Method and the Fair Value of Plan Assets funded in an approved trust set up for the purpose for which monthly contributions are made in the case of provident fund and lump sum contributions in the case of gratuity.

(iv) Incremental liability under BEL Retired Employees Contributory Health Scheme (BERECHS) is determined annually on actuarial basis using Projected Unit Credit Method and provided for.

(v) Actuarial liability for the year is determined with reference to employees at the end of January of each year.

(vi) Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit and loss.

(vii) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

(viii) Defined Contribution Plan

The Company operates employee pension scheme and superannuation pension scheme for its employees that are categorised as a defined contribution plans. For defined contribution plans, the Company pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

23. Provisions

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established,

the Company recognizes any impairment loss on the assets associated with that contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

B. Contingent Liabilities / Assets

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

24. Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7 - Statement of Cash Flows.

25. Fair value Measurement

The Company measures certain financial instruments, such as derivatives and other items in it's financial statements at fair value at each reporting date.

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

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

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

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

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

26. Financial Assets

(i) **Initial Recognition and Measurement**

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

(ii) **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments measured at amortised cost,
- Debt instruments measured at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL),
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(iii) **Derecognition**

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset have expired.

(iv) **Trade and Other Receivables**

Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

27. Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

28. Embedded Derivative

The embedded derivative, if required, is separated from host contract and measured at fair value.

29. Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are classified as borrowings under current liabilities in the balance sheet.

30. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

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

b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

c. Dues outstanding for significant period of time are reviewed and provision is made on a case to case basis.

Impairment loss allowance (or reversal) is recognised as expense / income in the statement of profit and loss.

31. Financial Liabilities

(i) **Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable to them.

(ii) **Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined in Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

(iii) **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Gains and losses are recognised as profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(iv) **Trade and Other Payables**

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

32. Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is

a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

33. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

34. Cash Dividend and Non-Cash distribution to Equity Holders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

35. Errors and Estimates

The Company revises it's accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

36. Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

37. Events after the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

Bengaluru
29 June 2020

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

We are issuing this revised report to comply with the observations made by the Comptroller and Auditor General of India with respect to Emphasis of Matter paragraph to the Independent auditor's report. This Independent auditor's report supersedes our report issued on 29 June 2020.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bharat Electronics Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31 March, 2020, and its consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to Note no.30(15) of the consolidated financial statements toward impact of outbreak of coronavirus (COVID-19) on the business operations of the Holding company which depends on certain developments that are uncertain and cannot be predicted. Our opinion is not modified with respect to the above matter.

2. We draw attention to Note no.30(21) of the consolidated financial statements towards recognition of retention sales due to lockdown on account of outbreak of coronavirus (COVID-19) and our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Accuracy of recognition, measurement, presentation and disclosure of revenue and related balances towards Ind AS 115 - Revenue from Contracts with Customers. The application of this standard involves the assessment towards identification of the distinct performance obligations, determination of the transaction price for each of the identified performance obligation, the judgements used for determining the satisfaction of those performance obligations over time or at a point in time. Additionally, the application of the standard also involves judgements used in identifying the amount of cost incurred to obtain or fulfil a contract and the disclosure of the periods over which performance obligations are satisfied over time subsequent to the reporting date. (Refer Note no. 23 to the consolidated financial statements and S.No. 5 to the Accounting policies)	**Principal Audit Procedures** Our audit procedures involve identification of internal controls and their operating effectiveness towards application of this standard. We have also carried out the substantive testing of the transactions. (i) Selected the sample of continuing contracts and the new contracts and identified the performance obligations and compared the same with the performance obligation identified by the Holding company. (ii) Verified the basis of allocation of transaction price to the identified performance obligation if not specifically mentioned in the contract. (iii) Identified the basis to be considered to determine the satisfaction of performance obligation and compared the same with the judgements used by the Holding Company in determining the satisfaction of performance obligation over time or at a point in time. (iv) Verified the appropriate evidences considered for determining the satisfaction of performance obligations towards transfer of promised goods or services. (v) In respect of contracts where the satisfaction of performance obligation is over time, we have verified the method identified by the Holding Company for recognising the revenue and ensured that those methods are appropriate considering the nature of the performance obligation. (vi) Verified judgements used by the Holding Company to identify those costs that are incurred to obtain or fulfil the contract and period over which, those costs will be amortised. (vii) Reviewed the Plan available with the Holding Company towards satisfaction of remaining performance obligations identified based on the delivery terms defined in the customer order to prepare the disclosure relating to periods over which remaining unsatisfied or partially satisfied performance obligations will be satisfied subsequent to the reporting date.
2.	Critical Estimates in respect of Onerous Contracts. Estimation of unavoidable costs for meeting or satisfaction of performance obligations in respect of contracts that have become onerous is critical. The estimate has inherent limitation of certainty towards estimating the unavoidable costs to complete the performance obligations. (Refer Note no. 21 to the consolidated financial statements and S.No. 22 to the Accounting policies)	**Principal Audit Procedures** We have enquired with the management of Holding company regarding the internal controls available towards identification of onerous contracts and cost to fulfil those contracts. (i) Selected the sample of continuing and existing contract and tested the effectiveness of the controls towards cost incurred and estimated costs of fulfilling the contract.

Sr. No.	Key Audit Matter	Auditor's Response
		(ii) Carried out test of internal controls and also the substantive procedures in determining the estimates for unavoidable costs towards onerous contracts. (iii) Verified and understood the internal controls available in estimating the basis for arriving the unavoidable costs for meeting the performance obligations in respect of onerous contracts. (iv) Verified the purchase order issued for satisfying the performance and identified those remaining costs which are to be incurred to satisfy the remaining performance obligations. (v) Verified the internal controls towards identification of costs incurred towards the concerned contracts and ensured that only the related cost of the contract is recorded. (vi) Verified the possible reductions in the contract price towards the balance performance obligations in respect of penalties. (vii) Performed analytical procedures and test of details for reasonableness of cost incurred and estimated cost to be incurred.
3.	Critical estimates made in respect of expected cost to complete the contract for performance obligation over time. The estimate has inherent limitation of certainty towards estimating the cost to satisfy the performance obligation. (Refer Note no. 23 to the consolidated financial statements and S.No. 5 to the Accounting policies)	**Principal Audit Procedures** We have enquired with the management of Holding company regarding the internal controls available towards identification of contract where the performance obligations are satisfied over the period of time. (i) Selected the sample contracts of continuing and existing contract and tested the effectiveness of the controls towards cost incurred and estimated costs. (ii) Carried out test of internal controls and also the substantive procedures in determining the estimates made to complete contract. (iii) Verified the purchase order issued for satisfying the performance and identified those remaining costs which are to be incurred to satisfy the balance performance obligations. (iv) Verified the internal controls towards identification of costs incurred towards the concerned contracts and ensured that only the related cost of the contract is considered. (v) Discussed with the management of the Holding company and analysed that the cost estimated is towards the work that are pending to be carried out for completion and satisfaction of the performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
		(vi) Performed analytical procedures and test of details for reasonableness of cost incurred and estimated cost to be incurred.
4.	a) Determination of transfer of control where dispatch of the goods to the customer could not be made during the lockdown period caused by outbreak of COVID-19. (Refer Note no. 23 to the consolidated financial statements and S.no. 5 to the Accounting policies)	**Principal Audit Procedures** (i) Ensured whether the goods are designed and manufactured to the customer specifications by perusing appropriate evidences. (ii) Verified the customer acceptance for the goods for assessment of transfer of control. (iii) Verified the customer request to the Holding company to retain the goods since the goods could not be dispatched and delivered during the lockdown period due to outbreak of COVID-19. (iv) Ensured whether the goods have been appropriated by the Holding company. (v) Verified whether the goods have been subsequently despatched after the lock down is released wherever possible.
	b) Determination of cost incurred in respect of contracts where performance obligation is satisfied over the period of time where the goods despatched from vendor's premise could not reach the customer site during the lockdown period caused by outbreak of COVID-19. (Refer Note no. 23 to the consolidated financial statement and S.no. 5 to the Accounting policies)	(i) Obtained the list of goods which were moved before the lock down period but could not reach the customer site. (ii) Verified the supporting evidences for the movement of the goods. (iii) Verified the acceptance of the goods by the Holding company. (iv) Verified that the goods have been subsequently received at the customer site after the lock down is released wherever possible. (v) Verified the cost incurred is appropriately considered for the purpose of calculation of revenue in respect of contracts where performance obligation is satisfied over the period of time.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board's Report including its annexures, Corporate Governance information and shareholders information but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the Company's financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and of its associate has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and of its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

1. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 52,813 lakhs as at 31 March, 2020, total revenues of ₹ 9,545 lakhs and net cash flows amounting to ₹ 2,664 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include

the Subsidiaries' share of net profit (including Other Comprehensive Income) of ₹ 371 lakhs for the year ended 31 March, 2020, whose financial statements have not been audited by us.

The consolidated financial statements reflects assets of the associate of ₹ 16,209 lakhs as "Investment in associate" and include Associate's share of net profit (including other comprehensive income) of ₹ 3,185 lakhs, whose financial statement have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below is not modified in respect of the above matters based on our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

2. In respect of the units audited by the Holding Company's branch auditors on whose report we rely on, we observed that the Holding Company's branch auditors of Ghaziabad and Kotdwara units without modifying their opinion have emphasised that liquidated damages are inherent in determination of transaction price in contracts and it shall form part of the variable consideration and need to be reduced from revenue instead providing the same. We have considered the above and observed that the accounting treatment followed in these units of the Holding company are in line with the accounting policy of the Holding company and as followed in the other units of the Holding company.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) The Group and of its associate, being a Government Company, the provisions of Section 164(2) of the Companies Act, 2013 in respect of disqualification of Directors are not applicable.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and of its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of Section 197(16) of the Companies Act, 2013 as amended:

The Group and its associate, being a Government Company, the provisions in relation to payment of managerial remuneration as mandated by Section 197 read with Schedule V to the Companies Act, 2013 is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note No. 30(10) to the consolidated financial statements.

ii. The Group and its associate has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts- Refer Note No.21 to the consolidated financial statements. The Group and its associate does not have any derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and of its associate.

For **Suri & Co.**
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No.223118
UDIN:20223118AAAADA6370

Bengaluru
19 August 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Bharat Electronics Limited ("the Holding Company") and its subsidiary companies and its Associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, its subsidiary companies and its associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries and its associate, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company and its subsidiaries and its associate.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included those policies and procedures that :

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directions of the company; and,

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

During the year, a fraud on the Holding company by its employees has been detected during the routine internal audit (Refer note 30(18) to the financial statements) and pursuant to which additional financial controls have been established by the Holding company.

In our opinion and to the best of our information and according to the explanations given to us, the Holding company, its subsidiary companies and its Associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting (including the additional financial controls established by the Holding company as mentioned in above para) were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies and one Associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Suri & Co.**
Chartered Accountants
Firm Registration No. 004283S

Natarajan V
Partner
Membership No.223118
UDIN: 20223118AAAADA6370

Bengaluru
19 August 2020

Addendum to Board's Report

C&AG Comments	Company's Reply
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S. BHARAT ELECTRONICS LIMITED,BENGALURU FOR THE YEAR ENDED 31 MARCH 2020 The preparation of financial statements of **M/s. Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 19 August 2020 which supersedes their earlier Audit Report dated 29 June 2020. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **M/s. Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2020 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of M/s. Bharat Electronics Limited, Bengaluru, M/s. BEL-THALES Systems Limited, Bengaluru but did not conduct supplementary audit of the financial statements of M/s. BEL Optronic Devices Limited, Pune, and M/s. GE BE Private Limited, Bengaluru for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to M/s. GE BE Private Limited, Bengaluru being private entity for appointment of their Statutory Auditor or for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Companies Act, 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:	

C&AG Comments	Company's Reply
Comments on Profitability **Statement of Profit & Loss** **Revenue from operations** **Note no. 23 – ₹ 12,967.67 crore** **Comment No. I** - The Revenue from operations of the Company includes ₹ 225.12[1] crore accounted as Bill and Hold sales in respect of three overseas deliveries based on customer's letters to postpone delivery in view of the COVID 19 logistic problems. This is not in line with Ind AS 115 (Para 38) as Performance Obligations at a point in time was not satisfied, as on 31 March 2020 due to the following: ➢ BEL did not have a present right to payment, ➢ Customer does not have legal title to the goods, ➢ Significant risks and rewards of ownership was not passed on to customers due to contractual terms of delivery at site. In all the three Orders, the conditions for the customers having obtained control of the products have not been met, which is the prerequisite in a Bill and Hold arrangement (Para B81 of Ind AS 115). Even the clarification of ICAI[2] on such sales states that *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognize revenue on the Bill and Hold basis.* The aforesaid sales is not in line with ICAI clarifications as the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination. Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of revenue by ₹ 225.12 crore with consequent overstatement of profit to the extent of ₹ 90.06 crore and understatement of finished goods to the extent of ₹ 135.06 crore.	The Revenue of ₹ 225.12 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control". In respect of all the three deliveries, the customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. Also, the items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset. Since the items had been accepted by the customer but could not be dispatched, due to pandemic situation (COVID-19), the revenue was recognized on Bill and Hold basis based on "Retention letters" issued by the customer for holding the items till the pandemic situation improves. This is in line with ICAI clarification that "where goods are ready but could not be dispatched due to lockdown conditions imposed by the government, revenue can be recognized if conditions of Bill and Hold Criteria are met". In respect of the sales recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below: **Criteria** / **How met** The reason for bill-and-hold arrangement must be substantive. / The items were retained by BEL based on the customer request for retention of goods due to COVID-19.

[1] ₹ 180.21 crore + ₹ 43.44 crore + ₹ 1.47 crore

[2] ICAI Covid 19 FAQs on Ind AS

<table>
<tr><th>C&AG Comments</th><th>Company's Reply</th></tr>
<tr><td></td><td>
<table>
<tr><th>Criteria</th><th>How met</th></tr>
<tr><td>The product must be identified separately as belonging to the customer.</td><td>The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.</td></tr>
<tr><td>The product must be ready for physical transfer to the customer.</td><td>The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.</td></tr>
<tr><td>The entity cannot have the ability to use the product or to direct it to another customer.</td><td>The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.</td></tr>
</table>
Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met.
No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement.
Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls.
In all the three cases the sale is recognized against firm orders and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic.
In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.
</td></tr>
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<tr><th>C&AG Comments</th><th>Company's Reply</th></tr>
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Comment No. II – The Revenue from operations of the Company includes ₹ 140.36 crore being the revenue recognised by the Company in respect of three contracts pertaining to Mazagaon Dock Shipbuilders Limited (MDL). The contractual terms for the above contract are 'FOR Destination - MDL, Mumbai'. The materials relating to the above sales are yet to be despatched. The Company accounted for the sale based on retention letter issued by MDL on 23 March 2020 and inspection notes issued by the Inspection authorities.

As the customer has not amended the provisions of the contract relating to transfer of risk & rewards and not accepted the billing by the Company, accounting of the same under Bill and Hold is not correct and is in contravention of Ind AS 115 requirement. The Company has also not satisfied all the conditions of the Accounting Policy No. 5(A) (iii) (b) relating to Revenue (Performance Obligation at a point of time). The conditions for the customer having obtained control of the products have not been met, which is a prerequisite in a Bill and Hold arrangement (Ind AS 115 Para B81).

Further, the clarification issued by ICAI (FAQ 28) considering COVID pandemic on such sales states that the *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognize revenue on the Bill and Hold basis.*

In all the three contracts with MDL, the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination and the control was not transferred since the goods were not delivered to the customers' site.

</td><td>

The Revenue of ₹ 140.36 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control".

The customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. The relevant items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset.

Since the item had been accepted by the customer but could not be dispatched, due to pandemic situation (COVID-19), the revenue was recognized on Bill and Hold basis based on "Retention letters" issued by the customer for holding the items till the pandemic situation improves. This is in line with ICAI clarification that "where goods are ready but could not be dispatched due to lockdown conditions imposed by the government, revenue can be recognized if conditions of Bill and Hold Criteria are met".

In respect of the sale recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below:

<table>
<tr><th>Criteria</th><th>How met</th></tr>
<tr><td>The reason for bill-and-hold arrangement must be substantive.</td><td>The items were retained by BEL based on the customer request for retention of goods due to COVID-19.</td></tr>
<tr><td>The product must be identified separately as belonging to the customer.</td><td>The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.</td></tr>
</table>

</td></tr>
</table>

<table>
<tr><th>C&AG Comments</th><th>Company's Reply</th></tr>
<tr><td>Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of revenue of ₹ 140.36 crore with consequent overstatement of profit to the extent of ₹ 92.64 crore and understatement of finished goods to the extent of ₹ 47.72 crore.</td><td>
<table>
<tr><th>Criteria</th><th>How met</th></tr>
<tr><td>The product must be ready for physical transfer to the customer.</td><td>The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.</td></tr>
<tr><td>The entity cannot have the ability to use the product or to direct it to another customer.</td><td>The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.</td></tr>
</table>

Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met.

No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement.

Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls.

The sale is recognized against firm order and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic.

In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.</td></tr>
<tr><td>Comment No. III – The Revenue from operations of the Company includes ₹ 68.66 crore of revenue recognised and accounted by the Company against two contracts entered with the Ministry of Defence (the customer). The contractual terms for the above specify FOR Bengaluru with the consignee as "The Project Director, Ship Building Centre, Visakhapatnam" after completion of Inspection by the customer authorised agencies. The agreed price is inclusive of Installation,</td><td>The Revenue of ₹ 68.66 crore has been recognised under the criteria of "Performance obligation being satisfied at a Point in Time". The principal criteria specified in Para 38 (read with Para 33) of Ind AS 115 for determination of the point in time when performance obligation is satisfied is determination of the time when the "Customer obtaining control of the Asset". Further as per Para 38(e) read with Para B81 to B83 of Ind AS 115, customer acceptance of the item is a criteria for determination of "Customer having obtained control".</td></tr>
</table>

C&AG Comments	Company's Reply
Harbour Acceptance Trial (HAT) & Sea Acceptance Trial (SAT) from Inspection, Packing and Insurance upto Consignee site. The Company has accounted for revenue based on an email dated 9 April 2020 issued by the customer representative indicating completion of Factory Acceptance Tests (FAT). However, the Inspection Notes containing the material description pertaining to the above revenue was issued by the Inspection Agency on 16 June 2020 which indicated conduct of inspection from 11 March 2020 to 16 June 2020. As the inspection and acceptance of the equipment relating to the above contracts was not completed as at 31 March 2020, accounting of revenue to the extent of ₹ 68.66 crore is not in order and against accounting policy No. 5(A) (iii) (b) of the Company. The condition for the customer having obtained the control of the product has also not been met which is the prerequisite in a Bill and Hold arrangement (Ind AS 115 Para B81). The clarification by ICAI on such sales states that *control is not passed on to the customer if the seller is paying for the cost of storage and insurance on the goods during the period the goods are held by it. It also states that in situations where control is transferred only when the product is delivered to the customer's site, it would not be appropriate to recognise revenue on a Bill and Hold basis*. In both the cases mentioned above, the cost of insurance and storage is borne by BEL till the goods are delivered at the port of destination (consignee site) and the control was not transferred since the goods were not delivered to the customers' site. Thus the aforesaid sales are not in line with Ind AS 115 and ICAI clarifications. This has resulted in overstatement of sales to the extent of ₹ 68.66 crore with consequent overstatement of profit to the extent of ₹ 36.51 crore and understatement of finished goods to the extent of ₹ 32.15 crore.	The customer has accepted these items after Inspection, (as per contractual terms) and the items have been unconditionally appropriated to the contract as on 31 March 2020. The customer acceptance is evidenced by the fact that the customer nominated third party Inspection Agency, i.e., Chief Quality Assurance Establishment (Warship Equipment), Bangalore completed their inspection on 29 February 2020, and promulgated Factory Acceptance Test (FAT) by the Customer. FAT was completed by the customer on 24 March 2020. The relevant items have been made as per customer specifications and on unconditional appropriation to the contract the customer only has the ability to direct the use of and obtain substantially all the remaining benefits of the Asset. The items have been retained at the company as a Reference System as per the directions of the Customer. In respect of the sale recognized, the criteria laid down in Para B81 for "Bill and Hold Sales" has been satisfied as elaborated below:

Criteria	How met
The reason for bill-and-hold arrangement must be substantive.	The items were retained by BEL as a Reference System based on the customer request.
The product must be identified separately as belonging to the customer.	The items were inspected and accepted by the customer and were unconditionally appropriated to the contract as belonging to the customer.
The product must be ready for physical transfer to the customer.	The items inspected and accepted by the customer were ready for dispatch but were retained based on the customer request.
The entity cannot have the ability to use the product or to direct it to another customer.	The company does not have the ability to use or direct the product to another customer, as the items were manufactured as per the customer specifications and unconditionally appropriated to the contract.

C&AG Comments	Company's Reply
	Para 38(a) to 38(e) specifies various indicators for ascertaining "transfer of control" and it is not mandatory that all of them should be met as long as the primary criteria, that is transfer of control is met. No separate Insurance or storage cost is incurred by the company (or requested by customer) due to Bill and Hold sales arrangement. Further, Para 38(c) of Ind AS 115 recognizes that in Bill and Hold arrangements the company may have physical possession of the Asset that the customer controls. The sale is recognized against firm order and there is no uncertainty in taking delivery by the customer or realization of the sales post easing of restrictions imposed under COVID-19 pandemic. In view of the above facts sales recognized is in line with the provisions of Ind AS and company's Accounting Policy.

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

Santosh Kumar
Principal Director of Commercial Audit

Bengaluru
28 August 2020

For and on behalf of the
Board of Directors

M V Gowtama
Chairman & Managing Director

Bengaluru
7 September 2020

Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1	2,56,777	2,13,878
(b) Capital work-in-progress	2	24,671	32,285
(c) Investment property	3	9	10
(d) Other intangible assets	4	14,473	15,872
(e) Intangible assets under development	5	58,127	52,618
(f) Investment in associate		16,209	13,024
(g) Financial assets			
(i) Investments	6	94,823	83,418
(ii) Trade receivables	7	-	-
(iii) Loans	8	3,233	2,748
(iv) Other financial assets	9	2,920	2,895
(h) Deferred tax assets (net)	10	49,870	47,201
(i) Inventories	11	5,255	4,114
(j) Other non current assets	12	34,655	26,551
		5,61,022	**4,94,614**
(2) Current assets			
(a) Inventories	11	3,95,830	4,44,335
(b) Financial assets			
(i) Trade receivables	7	6,72,402	5,37,367
(ii) Cash & cash equivalents	13	1,62,063	75,970
(iii) Bank balances [other than (ii) above]	14	3,987	21,217
(iv) Loans	8	1,734	1,622
(v) Other financial assets	9	3,180	3,626
(c) Current tax assets (net)	15	28,495	24,366
(d) Other current assets	12	6,06,118	4,78,941
		18,73,809	**15,87,444**
TOTAL ASSETS		**24,34,831**	**20,82,058**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	24,366	24,366
(b) Other equity		9,82,787	8,96,784
Total equity attributable to the owners of the company		**10,07,153**	**9,21,150**
Non controlling interest		1,417	1,330
Total equity		**10,08,570**	**9,22,480**

Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred income	**17**	18,196	18,809
(b) Financial liabilities			
(i) Borrowings	**18**	-	-
(ii) Trade payables	**19**		
- total outstanding dues of micro enterprises & small enterprises; and		-	-
- total outstanding dues of creditors other than micro enterprises & small enterprises		20	26
(iii) Other financial liabilities	**20**	4,934	3,029
(c) Provisions	**21**	1,16,427	92,364
(d) Other non-current liabilities	**22**	112	475
		1,39,689	**1,14,703**
(2) Current liabilities			
(a) Deferred income	**17**	1,750	1,573
(b) Financial liabilities			
(i) Borrowings	**18**	-	-
(ii) Trade payables	**19**		
- total outstanding dues of micro enterprises & small enterprises; and		6,503	4,623
- total outstanding dues of creditors other than micro enterprises & small enterprises		2,38,510	1,38,782
(iii) Other financial liabilities	**20**	83,880	1,05,580
(c) Other current liabilities	**22**	9,22,478	7,46,235
(d) Provisions	**21**	33,451	48,082
(e) Current tax liabilities (net)	**15**	-	-
		12,86,572	**10,44,875**
TOTAL EQUITY AND LIABILITIES		**24,34,831**	**20,82,058**

Significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director(Finance) & CFO

S Sreenivas
Company Secretary

Consolidated Statement of Profit and Loss

(₹ in Lakhs)

	Particulars	Note No.	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
I	Revenue from operations	23	12,96,767	12,16,417
II	Other income	24	9,940	7,299
III	**Total income (I+II)**		**13,06,707**	**12,23,716**
IV	**EXPENSES**			
	(a) Cost of material consumed		5,86,926	5,27,858
	(b) Cost of stores & spares consumed		2,774	3,734
	(c) Consumption of stock in trade		95,097	75,906
	(d) Changes in inventories of finished goods, work in progress & scrap	25	24,931	(13,068)
	(e) Employee benefits expense	26	2,07,474	1,89,514
	(f) Finance costs	27	360	1,275
	(g) Depreciation and amortization expense	28	37,186	33,813
	(h) Other expenses	29	1,04,119	1,41,850
	TOTAL EXPENSES (a to h)		**10,58,867**	**9,60,882**
V	**Profit before exceptional items, share of net profit of associate accounted under equity method & tax (III - IV)**		**2,47,840**	**2,62,834**
VI	Exceptional items		-	-
VII	**Profit before share of net profit of associate accounted under equity method & tax (V - VI)**		**2,47,840**	**2,62,834**
VIII	**Tax Expense**	10		
	- Current tax		75,767	80,483
	- Earlier years tax		(4,047)	(118)
	- Deferred tax		(3,143)	(2,334)
	Total provision for taxation		**68,577**	**78,031**
IX	**Profit before share of net profit of associate accounted under equity method (VII - VIII)**		**1,79,263**	**1,84,803**
X	Share of net profit of associate accounted under equity method		3,209	3,864
XI	**Profit for the year (IX+X)**		**1,82,472**	**1,88,667**
XII	**Other comprehensive income / (loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		(6,128)	(6,311)
	- Equity instruments through other comprehensive income		2	2
	- Share of other comprehensive income of associate accounted under equity method (net of tax)		(24)	(15)
	- Income tax relating to these items		2,048	2,197
Total other comprehensive income / (loss) (net of tax)			**(4,102)**	**(4,127)**

Consolidated Statement of Profit and Loss

(₹ in Lakhs)

	Particulars	Note No.	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
XIII	**Total comprehensive income for the year (XI + XII) [comprising profit and other comprehensive income for the year]**		**1,78,370**	**1,84,540**
XIV	**Net profit / (loss) attributable to**			
	a) Owners of the company		**1,82,385**	**1,88,640**
	b) Non controlling interest		**87**	**27**
	Other comprehensive income attributable to			
	a) Owners of the company		**(4,102)**	**(4,127)**
	b) Non controlling interest		**-**	**-**
	Total comprehensive income attributable to			
	a) Owners of the company		**1,78,283**	**1,84,513**
	b) Non controlling interest		**87**	**27**
XV	**Earnings per equity share (face value of INR 1/- each) :**	**30(1)**		
	(1) Basic [in INR]		**7.49**	**7.74**
	(2) Diluted [in INR]		**7.49**	**7.74**

Significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

Natarajan V
Partner
Membership No. 223118

S Sreenivas
Company Secretary

Bengaluru
29 June 2020

Consolidated Statement of Changes in Equity

(₹ in Lakhs)

A. Equity Share Capital

	Note No.	Amount
Balance as at 1 April 2018		24,366
Changes in equity share capital during the year		
- Issue of shares	16	-
- Buyback of shares		-
Balance as at 31 March 2019		24,366

	Note No.	Amount
Balance as at 1 April 2019		24,366
Changes in equity share capital during the year		
- Issue of shares	16	-
- Buyback of shares		-
Balance as at 31 March 2020		24,366

B. Other equity

	Note No.	Reserves & Surplus					Other Reserve		Non controlling interest	Total other equity
		Capital reserve*	Capital reserve on consolidation of subsidiary*	Capital redemption reserve*	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *		
Balance as at 1 April 2018		**4,669**	**362**	**1,868**	**2,79,546**	**5,02,085**	**3**	**(11,331)**	**1,303**	**7,78,505**
Profit for the year		-	-	-	-	1,88,667	-		27	1,88,694
Consolidation adjustments		-	-	-	-	(2,022)	-		-	(2,022)
Addition during the year		-	-	-	-	-	2	(4,129)	-	(4,127)
Total		**4,669**	**362**	**1,868**	**2,79,546**	**6,88,730**	**5**	**(15,460)**	**1,330**	**9,61,050**
Corporate social responsibility (CSR)		-	-	-	-	(1,250)	-	-	-	(1,250)
Amount transfer to general reserve		-	-	-	40,000	(40,000)	-	-	-	-
Amount transfer to capital reserve		-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owner										
Dividends	16	-	-	-	-	(51,168)	-	-	-	(51,168)
Dividend distribution tax	16	-	-	-	-	(10,518)	-	-	-	(10,518)
Issue of shares	16	-	-	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019		**4,669**	**362**	**1,868**	**3,19,546**	**5,85,794**	**5**	**(15,460)**	**1,330**	**8,98,114**

Consolidated Statement of Changes in Equity

(₹ in Lakhs)

	Note No.	Reserves & Surplus					Other Reserve		Non controlling interest	Total other equity
		Capital reserve *	Capital reserve on consolidation of subsidiary *	Capital redemption reserve *	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *		
Balance as at 1 April 2019		**4,669**	**362**	**1,868**	**3,19,546**	**5,85,794**	**5**	**(15,460)**	**1,330**	**8,98,114**
Profit for the year		-	-	-	-	1,82,472	-	-	87	1,82,559
Consolidation adjustments		-	-	-	-	(174)	-	-	-	(174)
Addition during the year		-	-	-	-	-	2	(4,104)	-	(4,102)
Total		**4,669**	**362**	**1,868**	**3,19,546**	**7,68,092**	**7**	**(19,564)**	**1,417**	**10,76,397**
Corporate social responsibility (CSR)		-	-	-	-	(1,220)	-	-	-	(1,220)
Amount transfer to general reserve		-	-	-	40,000	(40,000)	-	-	-	-
Amount transfer to capital reserve		-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owner										
Dividends	16	-	-	-	-	(75,534)	-	-	-	(75,534)
Dividend distribution tax	16	-	-	-	-	(15,439)	-	-	-	(15,439)
Issue of shares	16	-	-	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020		**4,669**	**362**	**1,868**	**3,59,546**	**6,35,899**	**7**	**(19,564)**	**1,417**	**9,84,204**

* Refer Note 16 (b).

Significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.**,
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit after share of associate but before exceptional items and tax	2,51,049	2,66,698
Adjustments for:		
Depreciation and amortisation expense	37,186	33,813
Provision for intangible assets under development	-	3,707
Intangible assets under development charged off	-	1,745
Provision for impairment of capital work in progress	-	124
Contract costs charged off	1,247	3,348
Corporate social responsibility	3,117	2,311
Transfer from government grants	(1,998)	(1,524)
Interest income	(7,058)	(3,560)
Interest on lease liability	28	-
Finance costs	332	1,275
Profit on sale of property, plant & equipment	(21)	(27)
Operating Profit Before Working Capital Changes	**2,83,882**	**3,07,910**
Increase / (Decrease) in:		
Trade receivables	(1,35,035)	(35,937)
Loans	(597)	(393)
Other financial assets	421	2,224
Other assets	(1,36,528)	(1,27,298)
Inventories	47,364	28,267
Trade payables	1,01,602	6,527
Other financial liabilities	(9,925)	13,726
Provisions	3,304	6,871
Other liabilities	1,75,880	29,587
Current tax assets	(15,903)	(2,917)
Cash Generated from Operations	**3,14,465**	**2,28,567**
Income taxes paid (net)	(57,424)	(77,179)
Cash Flow Before Exceptional Items	**2,57,041**	**1,51,388**
Exceptional items	-	-
Net Cash from / (used in) Operating Activities	**2,57,041**	**1,51,388**

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipment and other intangible assets	(76,220)	(76,142)
Less: Receipt of grant	1,562	3,220
Purchase of property, plant & equipment and other intangible assets (net)*	(74,658)	(72,922)
Proceeds from sale of property, plant & equipment	86	27
Increase / (Decrease) in term deposits & other bank balances	17,230	(17,553)
Other investments	(14,612)	(2,706)
Interest received	7,058	3,560
Net Cash from / (used in) Investing Activities	**(64,896)**	**(89,594)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / Repayment from borrowings (net)	(2,501)	(4,702)
Corporate Social Responsibility (CSR) expenditure	(5,042)	(3,666)
Dividend paid (including tax on dividend)	(98,017)	(56,624)
Repayment of lease liabilities	(132)	-
Interest on lease liability	(28)	-
Finance costs	(332)	(1,275)
Net Cash from / (used in) Financing Activities	**(1,06,052)**	**(66,267)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**86,093**	**(4,473)**
Cash and Cash Equivalents at the beginning of the year	**75,970**	**80,443**
Cash and Cash Equivalents at the end of the year	**1,62,063**	**75,970**

* Refer Note 30 (20).

1. Non-cash changes recognised in respect of liabilities on account of financing activities is:
   (i) Parent Company - Nil (Nil).
   (ii) Subsidiary Company BELOP - Nil (₹ 25).
   (iii) Subsidiary Company BEL-Thales - Nil (Nil).
2. The significant accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Suri & Co.,**
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

Bengaluru
29 June 2020

Consolidated Notes to Accounts

(₹ in Lakhs)

NOTE 1
Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTIZATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions/ adjustments during the year	Deductions / adjustments during the year	As at 31 March 2020	Accumulated depreciation /amortisation as at 1 April 2019	Depreciation /amortization for the year	Deductions / adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Owned Asset										
Freehold land	12,908	803	-	**13,711**	-	-	-	**-**	**13,711**	**12,908**
Roads and culverts	1,750	441	-	**2,191**	174	107	-	**281**	**1,910**	**1,576**
Buildings	56,989	19,632	7	**76,614**	6,331	2,668	4	**8,995**	**67,619**	**50,658**
Installations	3,792	574	1	**4,365**	1,634	420	1	**2,053**	**2,312**	**2,158**
Plant and machinery	1,25,049	23,090	(21)	**1,48,160**	40,647	14,723	(21)	**55,391**	**92,769**	**84,402**
Electronic equipment	50,667	7,811	268	**58,210**	22,387	7,912	224	**30,075**	**28,135**	**28,280**
Equipment for R & D lab	38,746	4,460	9	**43,197**	16,353	6,886	9	**23,230**	**19,967**	**22,393**
Vehicles	671	97	55	**713**	341	124	44	**421**	**292**	**330**
Office equipment	9,700	960	36	**10,624**	4,657	1,584	31	**6,210**	**4,414**	**5,043**
Furniture,fixtures and other equipments	8,004	813	10	**8,807**	3,146	959	7	**4,098**	**4,709**	**4,858**
Assets acquired for sponsored research	65	-	-	**65**	56	9	-	**65**	**-**	**9**
Right Of Use Asset										
Leasehold land	1,293	20,204	776	**20,721**	30	39	7	**62**	**20,659**	**1,263**
Lease of Buildings *	-	447	47	**400**	-	145	25	**120**	**280**	**-**
Total	**3,09,634**	**79,332**	**1,188**	**3,87,778**	**95,756**	**35,576**	**331**	**1,31,001**	**2,56,777**	**2,13,878**
Previous Year	**2,32,395**	**77,294**	**55**	**3,09,634**	**63,433**	**32,333**	**10**	**95,756**	**2,13,878**	**1,68,962**

* In respect of parent company, addition to lease of buildings includes ₹ 365 on transition to Ind AS 116 on 01.04.2019.

i. Freehold Land consists of 2072.87 acres (2064.43 acres) and Leasehold Land consists of 951.58 acres (300 acres). Freehold land includes Nil (INR 463) [represents absolute figure] transferred to investment property during the year.

ii. Freehold Land includes 7.21 acres (7.21 acres) leased to commercial / religious organisations and in their possession.

iii. Freehold land acquired by parent company includes addition of 2.2 acres (Nil), land purchased at Gudibande Taluk, Chikkaballapur District, Karnataka for Long range communication test facility for defence equipment.

iv. Leasehold Land acquired during the year by the parent company includes land admeasuring 5.94 acres at Jodhpur. The subsidiary company [BELOP] has acquired 3.38 acres of land on lease from MIDC for 95 years at a cost of ₹ 21 on 25.11.1991 with renewable option of further 95 years on new terms and conditions.

v. Additions during the year includes, ₹ 1,019 (₹ 12,096) and ₹ 14 (₹ 94) in respect of the assets of Central Research Laboratories / Product Development and Innovative Centre and Pune, R&D assets accounted under natural code heads.

vi. Electronic Equipment value includes POS machines of the parent company valuing ₹ 1,026 (₹ 1,026) which are under the control of Haryana Government (operating lease).

Consolidated Notes to Accounts

(₹ in Lakhs)

vii. **Site Restoration Obligation**

Refer Note 21 for Site Restoration Obligation in respect of Wind Mill & Solar Power Plants.
Gross Block Value of Plant & Machinery includes Site Restoration Obligation of ₹ 2,062 (₹ 1,232) in respect of Wind Mill & Solar Power Plants.

viii. **Contractual Commitments**

Refer Note 30 (9) for outstanding Contractual Commitments.

ix. **Deemed Cost**

On transition to Ind AS (01.04.2015), the group has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the Property, Plant & Equipment.

x. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of tangible assets is as follows:

Asset Class	Years
Buildings	20 - 40
Roads & Culverts	20 - 40
Installations	10
Plant & Machinery	5 - 25
Electronic Equipments	5 - 7
Vehicles	4 - 5
Office Equipments	5 - 7
Furniture & Fixtures	6 - 10
Equipments for R&D Labs	5

In respect of subsidiaries and associate, estimated useful lives as per Schedule II to the Companies Act, 2013 has been adopted except for the following cases:

Asset Class	Years
BELOP	
Plant & Machinery - Continuous Process Plant	15
BEL Thales	
Plant & Machinery	5 - 15
Electronic Equipments	5
Computer Systems	5

Consolidated Notes to Accounts

(₹ in Lakhs)

xi. **Depreciation / Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

Leased Assets are amortised on a straight-line basis over their estimated useful lives or their respective lease term whichever is shorter.

xii. **Method of Accounting Depreciation**

Depreciation / Amortisation has been calculated as per the Accounting Policy No. 8 of the Group and recognised as expenses in the Statement of Profit and Loss. Amount of Depreciation recognised as part of Cost of Other Asset is ₹ 3 (₹ 3).

xiii. **Impairment of Assets**

Refer Note 30 (7).

xiv. **Compensation from third parties**

₹ 109 (Nil).

xv. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, Plant & Equipment.

xvi. Land acquired free of cost from the Government in some units has been accounted in line with provisions of Ind AS 101.

xvii. **Details of Registration, Pending Litigation etc., [parent company]**

a. Pending execution of title / sale deeds and handing over of physical possession of land allotted to BEL Hyderabad Unit by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) in respect of land measuring 5.60 acres (5.60 acres) in Mallapur, Hyderabad and the matter being under litigation, no provision towards registration and other cost has been made in the books of accounts. Cost of land paid to APIIC amounting to ₹ 65 (₹ 65) is included in Capital Advances.

b. Physical possession in respect of 31.15 acres of land located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and capitalised under Lease hold land at ₹ 7,856 during the year. As per the terms of the lease agreement, on sucessful commencement of the project the same will be converted as freehold land. No provision towards registration and other cost has been made in the books of accounts for pending registration.

c. Based on the Memorandum of Understanding reached with the Defence authorities, assets constructed on the land allotted to BEL and in possession of BEL are capitalised under the respective heads for setting up of the Hyderabad Unit. Pending finalisation of the terms and conditions by the appropriate authorities, the cost of land measuring 25.11 acres (25.11 acres) has not been accounted in the books of accounts.

d. Land admeasuring to 122.82 acres (122.82 acres) at Ibrahimpatnam alloted by APIIC / TSIIC possession is given for which sale deed is pending.

e. Sale deed is pending for finalisation of the land admeasuring to 913.99 acres (913.99 acres) at Palasamudram, Ananthapur Dist. AP

f. A demand of ₹ 256 (₹ 256) being 50% of the compensation amount decreed by City Civil Court, Hyderabad has been received towards additional compensation from TSIIC dated 31.01.2015 for Land of 22.375 acres (22.375 acres) which is part of free hold land mentioned above. The demand is under dispute and hence, no provision in respect of the same has been made in the books of accounts.

Consolidated Notes to Accounts

(₹ in Lakhs)

g. Freehold Land to the extent of 1.22 acres (1.22 acres) which was allotted by Government Authorities in return for handing over of Land measuring 1.24 acres (1.24 acres) is under litigation.

h. The Company has installed Windmill Generator at three locations. Windmill Generator-I capitalized in the year 2006-07 on Lease Land. Upfront Lease rent is Nil and Lease Agreement for the land is pending finalization. Windmill Generator - II is capitalized in the year 2007-08 on the leased land by paying upfront lease rent of ₹ 36. Lease Agreement for the land is pending finalization.

i. The title deed in respect of land measuring 0.30 acres (0.30 acres) is under litigation. Two cases are pending in court in this regard.

j. Leasehold land admeasuring 8.93 acres acquired during the year in Pathankot is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

k. During the year, land admeasuring to 6.20 acres has been converted into freehold land at Bathinda. No provision towards registration and other cost has been made in the books of accounts for pending registration.

l. Leasehold land admeasuring 197.68 acres acquired during the year in Addl. Butibori, Nagpur is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

xviii. Parent Company has installed solar power plants on lease land in Ordnance Factory Board Medak, Itarsi, Bolangir, HVF Avadi, GCF Jabalpur, VFJ Jabalpur, Hazratpur, Muradnagar, Nalanda by paying a nominal value of INR 1 as Annual lease rent for every plant. Prepaid rent paid for 3 MW Hassan & 8.4 MW Davangere windmill plants capitalised as Right of Use.

xix. Borrowing cost of ₹ 484 (net of interest income) towards Employee quarters is capitalised. Capitalisation rate is 6.47% p.a.

xx. The Parent company has received an amount of ₹ 109 through insurance claim for loss of assets in fire having Net book value of ₹ 43.

	As at 31 March 2020		As at 31 March 2019	
NOTE 2				
Capital work-in-progress				
Civil Construction	9,532		12,375	
Plant & Machinery	8,897		14,914	
Others	3,550		4,278	
Capital Items in Transit	2,816		842	
		24,795		32,409
Less : Provision for impairment		(124)		(124)
		24,671		**32,285**

i. Civil construction mainly comprises of Production related building, R&D building & Employee Quarters.

ii. Borrowing costs of ₹ 490 (₹ 798) [net of interest income] has been included in Capital WIP in respect of employee quarters under construction. The capitalisation rate is 6.47% p.a.

iii. Refer Note 30 (9) in respect of contractual commitments.

Consolidated Notes to Accounts

(₹ in Lakhs)

iv. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, plant & equipment.

v. **Impairment of Assets**

In respect of Parent Company, building under construction with carrying value of ₹ 124 (₹ 124), is halted for past three years as the contractor to whom the work was awarded has been wound up and no progress in the work thereafter. The company is in the process of filing a legal claim to recover the amount paid to the contractor. Hence, an amount of ₹ 124 (₹ 124) is provided as impairment. Refer Note 30 (7).

NOTE 3
Investment property

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Deductions / adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Freehold land *	-	-	-	-	-	-	-	-	-	-
Buildings	14	-	-	**14**	4	1	-	**5**	**9**	**10**
Total	**14**	**-**	**-**	**14**	**4**	**1**	**-**	**5**	**9**	**10**
Previous Year	**14**	**-**	**-**	**14**	**3**	**1**	**-**	**4**	**10**	**11**

* Freehold land of Parent company includes INR 3,830 (INR 3,925) [represents absolute figure] which is rounded off.

i. **Amount recognised in Statement of Profit & Loss**

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
a. Rental Income	145	123
b. Direct Operating Expenses (including R&M) from property that generated rental income	-	-
c. Direct Operating Expenses (including R&M) from property other than above	-	-
d. Depreciation	1	1
e. Profit from Investment property	144	122

ii. Refer Note 30 (9) for Contractual Commitments.

iii. **Fair Value of the investment properties**

	As at 31 March 2020	As at 31 March 2019
Land	2,256	2,300
Building	895	902

iv. Land comprises of Freehold Land of 1.48 acres (1.53 acres) of parent company.

v. **Estimation of Fair Value**

The parent company has estimated the fair value of the investment property based on the Government Guidance Value (municipal value) of the similar properties in the investment property's location. All resulting fair value estimates for the investment properties are included in Level 2.

Consolidated Notes to Accounts

(₹ in Lakhs)

vi. **Deemed Cost**

On transition to Ind AS (01.04.2015), the parent company has elected to continue with the carrying value of all its investment property as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of the investment property.

vii. **Estimation of Useful Life of Assets**

The parent company has estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful life of Tangible Asset is as follows:

Asset Class	Years
Buildings	40

viii. **Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

The amount of Depreciation has been recognised as expense in the Statement of Profit and Loss.

ix. **Method of Accounting Depreciation**

Depreciation has been calculated as per the Accounting Policy No. 8 of the group and recognised as expenses in the Statement of Profit and Loss.

x. **Impairment of Assets**

As the fair value of the Investment Property is higher than its carrying value, there is no indication of impairment.

xi. **Restrictions on the releasability of Investment Property**

The land is alloted by Government of India.

xii. **Details of Registration, pending Litigation etc.,**

Nil (Nil).

xiii. In respect of Parent Company during the year, INR 95 (Nil) [represents absolute figure] is transferred from investment property to freehold land.

NOTE 4
Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2019	Additions /adjustments during the year	Deductions /adjust ments during the year	As at 31 March 2020	Accumulated amortisation as at 1 April 2019	Amortisation for the year	Deductions / adjustments during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible assets - others										
Computer operating system*	2	-	-	**2**	1	-	-	**1**	**1**	**1**
Licencing fee	18,424	-	-	**18,424**	5,000	1,250	-	**6,250**	**12,174**	**13,424**
Software licenses / implementation Enterprise resource planning (ERP)	285	-	-	**285**	210	45	-	**255**	**30**	**75**
Others (Development Cost)	2,531	214	-	**2,745**	159	318	-	**477**	**2,268**	**2,372**
Total	**21,242**	**214**	**-**	**21,456**	**5,370**	**1,613**	**-**	**6,983**	**14,473**	**15,872**
Previous Year	**18,823**	**2,419**	**-**	**21,242**	**3,891**	**1,479**	**-**	**5,370**	**15,872**	**14,932**

* Amortisation for the year includes INR 18,863 (INR 18,863)[represents absolute figure] which is rounded off.

Consolidated Notes to Accounts

(₹ in Lakhs)

i. **Deemed Cost**

On transition to Ind AS (01.04.2015), the group has elected to continue with the carrying value of all its other intangible assets as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of other intangible assets.

ii. **Estimated useful life**

The estimated useful lives of the Other Intangible Assets [parent company] is as follows :

Asset Class	Years
Software licenses / implementation Enterprise resource planning (ERP)	3
Others (Development Cost)	4 / 10 / 15

iii. **Amortisation**

Amortisation is calculated on a straight-line basis over the estimated useful lives of the Assets.

The amount of Amortisation has been recognised as expense in the Statement of Profit and Loss.

iv. **Method of Accounting Amortisation**

Amortisation has been calculated as per the Accounting Policy No. 8 of the group and recognised as expenses in the Statement of Profit and Loss.

v. Refer Note 30 (9) for Contractual Commitments.

vi. **Impairment of Assets**

Refer Note 30 (7).

vii. The restriction on the title of the assets is governed by the terms of agreement.

	As at 31 March 2020	As at 31 March 2019
NOTE 5		
Intangible assets under development		
Internally developed *	58,127	56,325
Less: Provision for impairment	-	(3,707)
	58,127	**52,618**

* Includes funding to other development agencies.

i. Refer Note 30 (9) for Contractual Commitments.

ii. **Impairment of Assets [Parent company] :**

An amount of Nil (₹ 3,707) provided towards impairment loss. The write off of ₹ 3,707 (₹ 1,746) has been made in respect of these assets where the company has closed the developmental activity from its side and as per company's assessment the probability of getting customer order is not certain and there is no assurance / firm commitment from customers side.

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 6		
Investments		
(I) Investment in Equity Instruments (Unquoted)		
Others (at FVOCI) (Refer Note v below)		
Mana Effluent Treatment Plant Ltd, Hyderabad		
500 (500) equity shares of INR 1,000 each fully paid	11	9
Defence Innovation Organisation, Bengaluru		
50 (50) equity shares of INR 1,000 each fully paid	1	1
(II) Other Investments (Unquoted)		
a) Investments in Co-operative societies (at cost)*		
Cuffe Parade Persopolis Premises Co-operative Society, Mumbai	-	-
40 (40) Shares of INR 50 each fully paid		
Sukh Sagar Premises Co-op. Society, Mumbai		
10 (10) Shares of INR 50 each fully paid		
Shri. Sapta Ratna Co-op. Society Ltd., Mumbai	-	-
10 (10) Shares of INR 50 each fully paid		
Dalamal Park Co-op. Society Ltd., Mumbai		
5 (5) Shares of INR 50 each fully paid		
Chandralok Co-op. Housing Society Ltd., Pune	-	-
30 (30) Shares of INR 50 each fully paid		
b) Others (at FVTPL)		
Life Insurance Corporation of India (Refer Note ii)	94,811	83,408
	94,823	**83,418**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.
The same represents value of share acquired in Housing Societies as per their by-law regulation.

i.

	2019-2020	2018-2019
a. Aggregate value of quoted investments and market value thereof	-	-
b. Aggregate value of unquoted investments	94,823	83,418
c. Aggregate amount of impairment in value of investments	-	-

ii. The parent company has invested its Leave Encashment & "BEL Retired Employees' Contributory Health Scheme" (BERECHS) liabilities in LICs New Group Leave Encashment Plan & New Group Superannuation Cash Accumulation Plan respectively [Refer Note 21].

iii. Refer Note 33 for classification of financial instruments.

Consolidated Notes to Accounts

(₹ in Lakhs)

iv. An amount of INR 50,000 [represents absolute figure] has been contributed towards equity capital in M/s Defence Innovation Organisation (DIO). DIO was incorporated on 10 April, 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises in Bengaluru. An amount of ₹ 5,000 has been provided in the books of accounts towards contribution to initial corpus fund during the year 2018-19. Out of this an amount of ₹ 4,000 (₹ 4,500) is pending for disbursement.

v. a. The parent company have designated investment in equity shares of Mana Effluent treatment plant and Defence Innovation Organisation at FVOCI because these equity shares represent investments that are intended to be held for long-term for strategic purposes. Fair Value of the Investment based on Net Asset Value Method is given below:

Particulars	Fair value as at 31 March 2020	Dividend income recognised during 2019-2020	Fair value as at 31 March 2019	Dividend income recognised during 2018-2019
Investment in Mana Effluent Treatment Plant Ltd..	11	-	9	-
Investment in Defence Innovation Organisation, Bengaluru	1	-	1	-

b. Parent company has not received any dividend so far on these Investments.

c. No strategic investments were disposed off during 2019-2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

	As at 31 March 2020	As at 31 March 2019
NOTE 7		
Trade receivables		
Non Current		
Unsecured, Considered Doubtful		
Trade receivables	1,34,875	1,26,587
Less: Provision*	(1,34,875)	(1,26,587)
Sub Total (A)	**-**	**-**
Current		
Secured, considered good	498	469
Unsecured, considered good	6,71,904	5,36,898
Sub Total (B)	**6,72,402**	**5,37,367**
Total (A+B)	**6,72,402**	**5,37,367**

* Includes ₹ 359 (₹ 359) [₹ 339 parent company and ₹ 20 BELOP] in respect of receivables which are credit impaired.

i. **Payment Terms**

a. In majority of contracts, payment (net of advance received, if any) is due on delivery of items. However, in some contracts a portion of dues (Typically 5% to 10%) is linked to satisfaction of further performance obligation like completion of installation and commission activity etc. In respect of turnkey contracts, payment (net of advance, if any) is linked to achievement of specified milestone.

b. Advance including progressive payments received from customer are classified as contract liability and adjusted on completion of related performance obligation. Balance amount receivable is classified as Trade Receivable.

Consolidated Notes to Accounts

(₹ in Lakhs)

c. Amount retained by customer in respect of completed Performance obligation due to linking of payment with completion of other Performance obligations in the contract is classified as Contract Asset.

ii. **Financial instruments**

Refer Note 33 for classification of financial instruments.

iii. **Impairment of financial assets**

Provisions for impairment has been made in line with Accounting Policy No. 29 of the Group.

iv. **Related party disclosure**

For Related Party Disclosures refer Note 31.

v. **Security, Hypothecation etc**

Refer Note 35.

	As at 31 March 2020	As at 31 March 2019
NOTE 8		
Loans		
Non Current		
Unsecured, Considered Good		
Security deposits	2,537	2,046
Loans to employees	696	702
	3,233	**2,748**
Unsecured, Considered Doubtful		
Security deposits	81	75
Less: Provisions	(81)	(75)
	-	-
Others		
Loans to employees	1	1
Less: Provisions	(1)	(1)
	-	**-**
Loans to others	132	132
Less: Provisions*	(132)	(132)
	-	**-**
Sub Total (A)	**3,233**	**2,748**
Current		
Unsecured, Considered Good		
Security deposits	1,567	1,453
Others		
Loans to employees	167	169
Sub Total (B)	**1,734**	**1,622**
Total (A+B)	**4,967**	**4,370**

* includes ₹ 132 (₹ 132) in respect of loans which are credit impaired.

Consolidated Notes to Accounts

(₹ in Lakhs)

i. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

ii. **Impairment of Financial Assets**

Provisions for impairment has been made in line with Accounting Policy No. 29 of the Group.

	As at 31 March 2020	As at 31 March 2019
NOTE 9		
Other financial assets		
Non Current		
Unsecured, Considered Good		
Receivables other than trade receivables	77	37
Interest accrued on term deposits	4	1
Bank deposits with more than 12 months maturity	71	19
Margin money held with Bank	-	70
Other assets	2,768	2,768
	2,920	**2,895**
Unsecured, Considered Doubtful		
Advance to others	12	12
Less: Provisions	(12)	(12)
	-	**-**
Receivables other than trade receivables	966	31
Less: Provisions *	(966)	(31)
	-	**-**
Other assets	74	74
Less: Provisions	(74)	(74)
	-	**-**
Sub Total (A)	**2,920**	**2,895**
Current		
Unsecured, Considered Good		
Advance to employees	178	130
Advance to others	2	3
Interest accrued but not due on term deposits	299	152
Receivables other than trade receivables	979	835
Other assets	1,722	2,506
Sub Total (B)	**3,180**	**3,626**
Total (A+B)	**6,100**	**6,521**

* Refer Note 30 (18).

Consolidated Notes to Accounts

(₹ in Lakhs)

i. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

ii. **Impairment of Financial Assets**

Provisions for impairment has been made in line with Accounting Policy No. 29 of the group.

iii. Net carrying amount of Nil (INR 14,306) [represents absolute figure] has been added in other assets with respect to Property, Plant and Equipment not in active use and pending for disposal.

	As at 31 March 2020	As at 31 March 2019
NOTE 10		
Deferred tax assets (net)		
Deferred tax assets	85,634	81,497
Deferred tax liabilities	(35,764)	(34,296)
	49,870	**47,201**

i. **Income Tax recognised in Statement of Profit or Loss**

Sl. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1.	**Income Tax Expenses:**		
	- Current period	75,767	80,483
	- Changes in estimates related to prior years	(4,047)	(118)
2.	**Deferred tax:**		
	- Origination and reversal of temporary differences	(3,143)	(2,334)
3.	**Total deferred tax expense/(benefit)**	**(3,143)**	**(2,334)**
4.	**Income tax expenses**	**68,577**	**78,031**

ii. **Income Tax recognised in other comprehensive income**

Sl. No.	Particulars	As at 31 March 2020			As at 31 March 2019		
		Before Tax	Tax (expense) / benefit	Net of Tax	Before Tax	Tax (expense) / benefit	Net of Tax
1.	Remeasurement of the net defined benefit liability/(asset)	(6,128)	(2,049)	(4,079)	(6,311)	(2,198)	(4,113)
2.	Equity instruments through other comprehensive income	2	1	1	2	1	1
	Total	**(6,126)**	**(2,048)**	**(4,078)**	**(6,309)**	**(2,197)**	**(4,112)**

iii. **Income Tax recognised directly in Equity**

There are no income tax recognised directly in equity for the year ended 31 March 2020 & 31 March 2019.

Consolidated Notes to Accounts

(₹ in Lakhs)

iv. **Reconciliation of Effective Tax Rates**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Rate	Amount	Rate	Amount
Profit Before Tax		**2,47,840**		**2,62,834**
Tax using the company's Domestic Tax Rate	34.94%	86,605	34.94%	91,845
Effect of				
Additional deduction on Research & Development Expenses	-5.72%	(14,181)	-5.30%	(13,930)
Exempt Income	-0.06%	(149)	-1.29%	(3,392)
Tax Incentives	-0.37%	(914)	-0.21%	(554)
Changes in estimates related to previous years	-1.63%	(4,047)	-0.03%	(67)
Non-deductable Expenses	0.47%	1,159	0.47%	1,238
Accelerated Depreciation for Tax Purpose	0.00%	(1)	0.00%	(7)
Others	0.04%	105	1.10%	2,898
Effective Tax rate	**27.67%**	**68,577**	**29.69%**	**78,031**

v. **Deferred Tax (Assets) and Liabilities are attributable to the following:**

Sl. No.	Particulars	Deferred Tax (Assets) as at		Deferred Tax Liability as at		Net Deferred Tax (Assets)/Liability as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1	Trade Receivables	(14,570)	(13,674)	-	-	(14,570)	(13,674)
2	Inventory	(14,954)	(14,860)	-	-	(14,954)	(14,860)
3	Provision others	(18,168)	(21,854)	-	-	(18,168)	(21,854)
4	Employee Benefits	(35,018)	(28,251)	699	-	(34,319)	(28,251)
5	Other Intangible Assets	-	-	704	729	704	729
6	Deferred Revenue	(373)	(373)	-	-	(373)	(373)
7	Other Assets	-	-	1	1	1	1
8	Property, Plant and Equipment	-	-	27,071	26,997	27,071	26,997
9	ICDS Adjustment	-	-	-	-	-	-
10	Equity Investments	-	-	2	1	2	1
11	Other Financial Liabilities	-	-	10	10	10	10
12	Provision for Impairment	(2,006)	(2,012)	-	-	(2,006)	(2,012)
13	Trade Payables	(6)	(6)	-	-	(6)	(6)
14	Intangible Assets under development	-	-	7,277	6,558	7,277	6,558
15	Tax loss	(54)	-	-	-	(54)	-

Consolidated Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Deferred Tax (Assets) as at		Deferred Tax Liability as at		Net Deferred Tax (Assets) / Liability as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
16	Bonus	-	(1)	-	-	-	(1)
17	Superannuation	(12)	(7)	-	-	(12)	(7)
18	MAT Credit	(473)	(459)	-	-	(473)	(459)
19	**Total**	**(85,634)**	**(81,497)**	**35,764**	**34,296**	**(49,870)**	**(47,201)**
20	Set off of (Asset)/ Liability	35,764	34,296	(35,764)	(34,296)	-	-
Net Deferred Tax (Asset) / Liability		**(49,870)**	**(47,201)**	**-**	**-**	**(49,870)**	**(47,201)**

vi. **Movement of Deferred Tax (Assets) & Liabilities**

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-2020	Recognised in OCI during 2019-2020	Balance as on 31 March 2020
1	Trade Receivables	(13,674)	(896)	-	(14,570)
2	Inventory	(14,860)	(94)	-	(14,954)
3	Provision others	(21,854)	3,686	-	(18,168)
4	Employee Benefits	(28,251)	(6,556)	488	(34,319)
5	Other Intangible Assets	729	(25)	-	704
6	Deferred Revenue	(373)	-	-	(373)
7	Other Assets	1	-	-	1
8	Property, Plant and Equipment	26,997	75	-	27,071
9	ICDS Adjustment	-	-	-	-
10	Equity Investments	1	-	1	2
11	Other Financial Liabilities	10	-	-	10
12	Provision for Impairment	(2,012)	6	-	(2,006)
13	Trade Payables	(6)	-	-	(6)
14	Intangible Assets under development	6,558	719	-	7,277
15	Bonus	(1)	1	-	-
16	Tax Loss	-	(54)	-	(54)
17	Superannuation	(7)	(5)	-	(12)
18	MAT Credit	(459)	(14)	-	(473)
	Total	**(47,201)**	**(3,157)**	**489**	**(49,870)**

Note: In respect of subsidiary BELOP, MAT Credit availed during the year is ₹ 14 related to earlier year.

Consolidated Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Balance as on 01 April 2018	Recognised in P&L during 2018-2019	Recognised in OCI during 2018-2019	Balance as on 31 March 2019
1	Trade Receivables	(11,373)	(2,301)	-	(13,674)
2	Inventory	(11,658)	(3,202)	-	(14,860)
3	Provision others	(18,180)	(3,674)	-	(21,854)
4	Employee Benefits	(22,620)	(3,720)	(1,912)	(28,251)
5	Other Intangible Assets	420	309	-	729
6	Deferred Revenue	(373)	-	-	(373)
7	Other Assets	1	-	-	1
8	Property, Plant and Equipment	17,307	9,690	-	26,997
9	ICDS Adjustment	(197)	197	-	-
10	Equity Investments	1	-	1	1
11	Other Financial Liabilities	10	-	-	10
12	Provision for Impairment	-	(2,012)	-	(2,012)
13	Intangible Assets under development	4,169	2,389	-	6,558
14	Bonus	-	(1)	-	(1)
15	Superannuation	-	(7)	-	(7)
16	Trade Payables	(6)	-	-	(6)
17	MAT Credit	(507)	49	-	(459)
	Total	**(43,006)**	**(2,283)**	**(1,911)**	**(47,201)**

vii. **Unrecognised Deferred Tax (Assets) / Liabilities**

Deferred Tax asset has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the deductible temporary difference can be utilised.

Particulars	Entity	As on 31 March 2020	As on 31 March 2019
Tax Losses	Holding Company	There are no temporary differences on which Deferred Tax (Assets)/ Liability have not been recognised	
	BELOP		
	BEL-Thales Systems	652	647

viii. **Tax Losses carried forward**

Particulars	Entity	As on 31 March 2020		As on 31 March 2019	
		Amount	Expiry Date	Amount	Expiry Date
Expire	Holding Company	There are no Tax Losses on which Deferred Tax Asset has been recognised			
Never Expire					
Expire	BELOP	-	-	-	-
Never Expire		290	-	-	-
Expire	BEL-Thales Systems	572	2023-27	497	2023-27
Never Expire		80	-	150	-

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 11		
Inventories		
Non Current		
Raw Materials & Components	47,562	46,023
Add: Raw Materials & Components in Transit	108	118
Less: Provisions	(42,521)	(42,133)
	5,149	**4,008**
Stock in Trade	54	113
Add: Stock in Trade in Transit	-	1
Less: Provisions	(54)	(114)
	-	**-**
Stores & Spares	264	282
Add: Stores & Spares in Transit	-	-
Less: Provisions	(198)	(227)
	66	**55**
Loose Tools	119	124
Less: Provisions	(79)	(73)
	40	**51**
Sub Total (A)	**5,255**	**4,114**
Current		
Raw Materials & Components	2,13,313	2,45,031
Add: Raw Materials & Components in Transit	22,781	12,667
	2,36,094	**2,57,698**
Work In Progress	1,29,731	1,55,848
Finished Goods	21,632	19,440
Add: Finished Goods in Transit	2,514	3,186
	24,146	**22,626**
Stock in Trade	971	3,332
Add: Stock in Trade in Transit	38	987
	1,009	**4,319**
Stores & Spares	3,928	2,610
Add: Stores & Spares in Transit	69	2
	3,997	**2,612**
Loose Tools	880	926
Add: Loose Tools in Transit	1	-
	881	**926**
Disposable Scrap	193	306
	3,96,051	**4,44,335**

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Less: Unrealised profit on unsold inventory	**(221)**	**-**
Sub Total (B)	**3,95,830**	**4,44,335**
Total (A+B)	**4,01,085**	**4,48,449**

i. Raw Materials and Components include ₹ 9,644 (₹ 7,619) being materials with sub-contractors, out of which ₹ 367 (₹ 291) of materials is subject to confirmation and reconciliation. Against ₹ 367 (₹ 291), an amount of ₹ 366 (₹284) has been provided for.

ii. Stock verification discrepancies for the year are as follows:
Shortages of ₹ 1,294 (₹ 649) and surplus of ₹ 412 (₹ 514). Pending reconciliation, an amount of ₹ 887 (₹ 74) has been provided for.

iii. Valuation of Inventories has been made as per Group's Accounting Policy No. 17.

iv. a. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO2EQ carbon credit during earlier years, for the 2.5MW BEL Grid Connected Wind Power Project Davangere District, Karnataka for the verification period from 05.11.2007 to 31.03.2012. The carbon Credits are included under Finished Goods at a value of ₹ 2 (₹ 2). The CER is valued at cost as required by Guidance Note on CER issued by ICAI.

b. CER under Certification: Nil (Nil) CERs.

c. Depreciation & Operation Cost of Emission Reduction Equipments during the year :

Sl No.	Particulars	2019-2020	2018-2019
i.	Depreciation	273	266
ii.	Operation Cost of Emission Reduction Equipments	203	169
	Total	**476**	**435**

v. **Security, Hypothecation etc**

Refer Note 35.

vi. **Amount recognised in Statement of Profit & Loss**

Write-down of inventories to net realisable value amounted to ₹ 5,067 (₹ 10,351) has been recognised in the statement of profit and loss.

vii. Reversal of write down of inventories of ₹ 3,389 (Nil) has been made during the year, which were recognised as an expenses in the previous year.

viii. **Impairment of Assets**

Provisions for inventory has been made in line with Accounting Policy No. 17 of the Group.

ix. Materials amounting to ₹ 3,319 (₹ 19,921) are located physically at Customer Premises.

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 12		
Other assets		
Non Current		
Capital advances	1,059	24,113
Advances for purchase	2,783	2,979
Less: Provisions	(2,783)	(2,979)
	-	-
Contract asset	10,226	9,153
Less: Provisions	(10,226)	(9,153)
	-	-
Others		
Balances with customs, port trust and other government authorities	407	476
Less: Provisions	(277)	(275)
	130	**201**
Prepaid expenses	82	18
Claims receivable purchases	569	991
Less: Provisions	(569)	(991)
	-	-
Contract costs	33,304	1,931
Others - Assets	109	381
Less: Provisions	(29)	(93)
	80	**288**
Sub Total (A)	**34,655**	**26,551**
Current		
Advances other than Capital advances		
Advances to employees	710	2,501
Advances for purchase	1,37,067	1,49,361
Contract asset	4,27,168	2,88,512
Others		
Balances with customs, port trust and other government authorities*	27,225	17,650
Prepaid expenses	3,891	3,255
Prepaid taxes	6,761	11,030
Claims receivable purchases	2,072	3,355
Others - Assets	1,224	3,277
Sub Total (B)	**6,06,118**	**4,78,941**
Total (A+B)	**6,40,773**	**5,05,492**

* Pending decision from Hon'ble High Court of Madras, ₹ 1,497 of GST transitional credit is pending for utilisation.

Consolidated Notes to Accounts

(₹ in Lakhs)

i. **Impairment of Assets**
Provisions for impairment of non financial assets has been made in line with accounting policy No. 13 of the group.

ii. **Impairment of contract asset**
Impairment of contract asset is ₹ 1,073 (₹ 2,505).

iii. **Amortisation and impairment of contract costs**
Amortisation of contract costs is determined based on the period of benefit expected from the contract cost is ₹ 6,163 (Nil). Impairment of contract costs recognised is Nil (Nil).

iv. **Fair value Measurement**

	As at 31 March 2020			As at 31 March 2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Contract Asset	-	-	4,27,168	-	-	2,88,512

v. Closing balance of contract cost represents, cost to obtain the contract from customer ₹ 4,659 (₹ 1,931) & cost to fulfil the contract is ₹ 28,645 (Nil).

	As at 31 March 2020	As at 31 March 2019
NOTE 13		
Cash & cash equivalents		
Balance with banks	36,253	58,281
Cash on hand	3	5
Term deposits	1,25,807	17,684
	1,62,063	**75,970**

i. Cash and cash equivalents includes Term Deposits with original maturity period up to three months. Term Deposits with original maturity period beyond three months have been included in Bank balances. (Refer Note 14).

ii. Refer Note 33 for classification of financial instruments.

iii. There are no repatriation restrictions with regard to cash and cash equivalents.

	As at 31 March 2020	As at 31 March 2019
NOTE 14		
Bank balances [other than (ii) above]		
Term deposits	3,839	13,893
Margin money held with banks	-	219
Unpaid dividend account	148	7,105
	3,987	**21,217**

i. Refer Note 33 for classification of financial instruments.

ii. Parent company does not have any Term Deposits with original maturity period of more than twelve months. Refer Note 9 for term deposits with original maturity period of more than twelve months of subsidiary companies.

iii. There are no repatriation restrictions with regard to bank balances.

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 15		
Current tax assets (net)		
Advance payment of income tax	28,495	24,366
	28,495	**24,366**
Current tax liability (net)		
Provision for taxation	-	-
	-	**-**

	As at 31 March 2020	As at 31 March 2019
NOTE 16		
a. **Equity share capital**		
i. **Authorised capital**		
250,00,00,000 (250,00,00,000) Equity Shares of INR 1 (INR 1) each	25,000	25,000
ii. **Issued, subscribed & fully paid-up capital**		
243,65,92,943 (243,65,92,943) Equity Shares of INR 1 (INR 1) each	24,366	24,366

iii. **Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	243,65,92,943	24,366	243,65,92,943	24,366
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
Shares outstanding at the end of the reporting period	243,65,92,943	24,366	243,65,92,943	24,366

iv. **Shares in the company held by each shareholder holding more than 5%**

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Government of India	124,59,73,978	51.14%	143,33,26,432	58.83%

v. **Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the previous 5 years.**

Equity shares allotted as fully paid up by way of bonus shares

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
No. of shares	-	16,00,00,000	-	22,33,62,793	-

vi. **Aggregate number and class of shares bought back during the previous 5 years.**

Equity shares bought back

Year	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
No. of shares	-	-	1,66,37,207	2,03,97,780	-

Consolidated Notes to Accounts

(₹ in Lakhs)

vii. During the previous five years the parent company has not allotted any shares as fully paid up pursuant to contract without payment being received in cash.

		As at 31 March 2020	As at 31 March 2019
viii.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	**Nil**	**Nil**
ix.	The aggregate value of calls unpaid (including Directors and Officers of Company)	**Nil**	**Nil**
x.	Shares forfeited	**Nil**	**Nil**

xi. **Terms, Rights, preferences and restrictions attaching to each class of shares**

a) The parent company has only one class of shares viz, Equity Shares.

b) Each holder of Equity Shares is entitled to one vote on show of hands and in poll in proportion to the Number of shares held.

c) Each Shareholder has a right to receive the dividend declared by the company.

d) On winding up of the parent company, the equity shareholders will be entitled to get the realised value of the remaining assets of the company, if any, after distribution of all preferential amounts as per law. The distribution will be in proportion to the number of equity shares held by the shareholders.

xii. a) **Interim Dividend and Final Dividend**

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Final dividend for FY 2018-2019 and FY 2017-18 respectively.	41,422	9,746
Interim dividend for FY 2019-2020 and FY 2018-2019 respectively.	34,112	41,422
Dividend Distribution Tax.	15,439	10,518

b) **Nature and purpose of Reserves**

i. **Capital Reserve**

Capital Reserve is created by transfer from Retained earnings an amount equal to capital profit earned by the company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

ii. **Capital Redemption Reserve**

Capital Redemption Reserve is created by transfer from General Reserve an amount equal to face value of the Shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

iii. **Equity Investment through Other Comprehensive Income (OCI)**

The parent company has elected to recognise changes in fair value of certain equity investments in other comprehensive income. The change in fair value is accumulated in this reserve. If and when the investment is derecognised the accumulated amount will be transferred to Retained earnings.

iv. **Other Comprehensive Income (OCI)**

Other comprehensive income are those gains or losses which are not yet realised and excluded from the statement of profit and loss. It mainly consists of remeasurement of the net defined benefit liability / asset (net of tax).

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 17		
Deferred income		
Non Current		
Government grants - deferred	18,196	18,809
Sub Total (A)	**18,196**	**18,809**
Current		
Government grants - deferred	1,750	1,573
Sub Total (B)	**1,750**	**1,573**
Total (A+B)	**19,946**	**20,382**

i. Refer Accounting Policy No. 16 for method of presentation.

ii. Nature of utilisation of government grant		
a) Revenue Expenditure	-	-
b) Capital Expenditure		
- Property, Plant and Equipment	19,946	20,382
iii. Other forms of government assistance that has directly benefited the company	-	-
iv. Details of unfulfilled conditions attached to government grant	-	-
v. Contigencies attached to government grant	-	-
vi. The above grants received represents viability gap funding towards solar power plants, assistance towards roof top solar sytems & Modified Special Incentive Package Scheme (M-sips) subsidy for Zns Project.		

vii. In case of Subsidiary company [BELOP]

Subsidiary company has entered into an agreement with M/s Photonis, France for transfer of technology for manufacture of Higher Specification I.I.Tubes at BELOP which is funded by way of Grant. The percentage of grant to ToT Cost is 74.30% of the expenses incurred in the year 2019-2020 towards ToT has been transferred to income in the Statement of Profit and Loss.

	As at 31 March 2020	As at 31 March 2019
NOTE 18		
Borrowings		
Non Current		
Secured		
Term loan from banks	-	-
Sub Total (A)	**-**	**-**
Current		
Secured		
Term Loan from banks	-	-
Sub Total (B)	**-**	**-**
Total (A+B)	**-**	**-**

Consolidated Notes to Accounts

(₹ in Lakhs)

i

Term Loan from Banks	2019-2020	2018-2019
Total liability as on Balance Sheet Date	833	3,363
Less: Current Maturities of Long Term Debt *	833	3,334
Less: Interest accrued and due on Term Loan *	-	29
Non Current Borrowing	-	-

* Shown under Note 20.

ii. **Nature of security:**

Refer Note 35.

iii. **Terms of repayment**

In case of parent company the amount is repayable in 12 quarterly installments commencing from Quarter ending June 2017 and ends on the Quarter ending March 2020.

iv. **Rate of Interest**

In case of parent company, rate of interest is 7.90% p.a. subject to revision based on RBI / SBI guideline and risk rating of the group. In case of subsidiary company [BELOP], the rate of interest is 8.80% p.a. (Axis Bank) and 8.70% p.a. (SBI).

v. **Period and amount of default as on Balance Sheet Date**

Nil.

	As at 31 March 2020	As at 31 March 2019
NOTE 19		
Trade payables		
Non Current		
- Others	20	26
Sub Total (A)	**20**	**26**
Current		
- Dues to micro & small enterprises	6,503	4,623
- Others	2,38,510	1,38,782
Sub Total (B)	**2,45,013**	**1,43,405**
Total (A+B)	**2,45,033**	**1,43,431**

i. The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as on 31 March 2020 is furnished below:

	Particulars	2019-2020	2018-2019
a.	The principal and the interest due thereon remaining unpaid as at 31 March:		
	Principal *	6,773	4,734
	Interest	7	1
b.	The interest paid by the company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31 March:		
	Principal	4	23
	Interest	1	3

Consolidated Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
c.	The interest reversed by the company during the year ended 31 March **	-	2
d.	Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act ***	-	-
e.	Interest accrued and remaining unpaid at the end of the year ending 31 March.	7	3
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	5	1

* Includes amount shown under Note 20.

** During the period Nil (₹ 2) of provisions made in previous year has been reversed, since on subsequent verification, the amount was found to be not payable.

*** Interest due and payable for principals already paid INR 336 [represents absolute figure] with respect to current year is rounded off and INR 22,111 [represents absolute figure] as on 31.03.2020 is rounded off.

ii. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the parent company and have been relied upon by the Auditors.

iii. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

iv. The group's exposure to currency and liquidity risk related to Trade Payables is disclosed at Note 34.

	As at 31 March 2020	As at 31 March 2019
NOTE 20		
Other financial liabilities		
Non Current		
Security deposits	4,751	3,029
Lease liability	183	-
Sub Total (A)	**4,934**	**3,029**
Current		
Security deposits	17,648	10,288
Current maturities of long term debt [1]	833	3,334
Interest accrued and due - term loan[1]	-	29
Interest accrued and due on trade payables[2]	7	3
Other trade payables	14,060	15,209
Unpaid matured deposits	37	37
Unpaid dividend	148	7,105
Non trade payables dues to micro & small enterprises[2]	270	111
Outstanding expenses	49,580	67,598
Lease liability	114	-
Other liabilities	1,183	1,866
Sub Total (B)	**83,880**	**1,05,580**
Total (A+B)	**88,814**	**1,08,609**

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date.	Nil	Nil

[1] Refer Note (18)

[2] Refer Note (19)

i. **Financial instruments**

Refer Note 33 for classification of financial instruments.

	As at 31 March 2020	As at 31 March 2019
NOTE 21		
Provisions		
Non Current		
Employee Benefits		
Long-term compensated absences	32,954	24,951
BEL retired employees' contributory health scheme (BERECHS)	56,604	51,359
Provident fund interest obligation	603	-
Others		
Provision for onerous contracts	109	218
Provision for performance warranty	24,043	14,551
Provision for Site restoration obligation	2,114	1,285
Sub Total (A)	**1,16,427**	**92,364**
Current		
Employee Benefits		
Gratuity *	1,902	(910)
Long-term compensated absences	3,138	2,433
BEL retired employees' contributory health scheme (BERECHS)	4,301	4,266
Provident fund interest obligation	1,231	-
Provision for Employee Wage Revision	493	470
Annual incentive	98	170
Others		
Provision for onerous contracts	1,555	5,561
Provision for performance warranty	20,733	36,092
Sub Total (B)	**33,451**	**48,082**
Total (A+B)	**1,49,878**	**1,40,446**

* Represents excess of plan asset over obligation.

Consolidated Notes to Accounts

(₹ in Lakhs)

i. **Movement of provisions for the year ended 2019-2020.**

	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	50,643	5,779	1,285
Additional provision recognised during the year	23,612	4,176	829
Amount used during the year (refer note vi below)	41	-	-
Unused amount reversed during the year	29,438	8,291	-
As at 31 March	**44,776**	**1,664**	**2,114**

Movement of provisions for the year ended 2018-2019.

	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	40,613	9,825	519
Additional provision recognised during the year	33,353	2,250	766
Amount used during the year (refer note vi below)	182	-	-
Unused amount reversed during the year	23,141	6,296	-
As at 31 March	**50,643**	**5,779**	**1,285**

ii. **Provision for Warranties - as per Accounting Policy No. 19 of the Group.**

Provision for warranties is made in respect of products whose normal warranty period is outstanding. As the warranty provision period varies from product to product, provision is made at Strategic Business Unit (SBU) level based on average period of warranty period. Provision is made based on trend based estimate of the likely expenses to be incurred. The provision is measured at the present value of the estimated cost of warranty.

iii. **Provision for Site restoration - as per Accounting Policy No. 22 of the Group.**

In accordance with the terms and conditions of the Lease agreement entered into with Lessor, the parent company is required to return the land in its original condition. Accordingly provision in respect of Site restoration obligation has been made. The provision required is reviewed and required adjustment made at each year end.

The provision is measured at the present value of the best estimate of the cost of restoration.

iv. **Provision for Onerous contracts - as per Accounting Policy No. 22 of the Group.**

In respect of certain contracts entered into by the parent company, it is expected that the likely cost to complete the contract would exceed the Revenue received / receivable against the contract. In such cases, provision in respect of the expected losses has been made. The provision required is reviewed and required adjustment made at each year end. The provision is measured at the present value of the best estimate of loss likely to be incurred.

v. Performance warranty obligation in respect of sales where back to back warranty of vendor is available, potential liability, if any, in the event of default of vendor is not asertainable and not expected to be significant.

vi. Amount debited to opening provision.

vii. An amount of ₹ 13,937 (₹ 7,606) has been debited against Natural Code Heads wrt Warranty Cost.
An amount of Nil (Nil) has been debited against Natural Code Heads wrt Site Restoration Obligation.

viii. During the previous years, warranty provision relating to EVM and VVPAT project was made based on the best estimates of the management as the trend was not established in the normal course. However during the current year as the actual expenditure was lower than as envisaged by the management and hence accordingly excess provision is withdrawn.

Consolidated Notes to Accounts

(₹ in Lakhs)

(A) POST EMPLOYMENT BENEFIT OBLIGATION

(i) GRATUITY : (In respect of parent company)

The Company provides gratuity to employees in India as per payment of Gratuity Act, 1972. The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits fund to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service for not less than five years in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay gratuity to an employee at the rate of fifteen days salary based on the last drawn basic & dearness allowance.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation are as follows :

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation as at the beginning of the year	63,187	61,412
	Current Service Cost	1,713	1,672
	Interest Cost	4,654	4,531
	Past Service Cost	-	-
	Benefits paid	(4,870)	(5,442)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on planned liability - loss / (gains)	5,957	316
	Experience adjustments on planned liability - loss / (gains)	663	698
	Present Value of Obligation as at the end of the period	**71,304**	**63,187**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	64,322	64,945
	Expected return on plan assets	4970	4,803
	Contributions	6,000	-
	Benefits paid	(4,870)	(5,442)
	Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	(720)	16
	Fair value of plan assets as at the end of the period	**69,702**	**64,322**
	Defined benefit (Asset) / liability	**1,602**	**(1,135)**
	Effects of asset ceiling - As at the beginning of the year	**-**	**366**
	Effects of asset ceiling - As at the end of the year	**-**	**(286)**
	Net defined benefit (asset) / liability	**1,602**	**(1,055)**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	1,713	1,672
	Net Interest on Net Defined Benefit Obligations	(317)	(273)
	Past service cost	-	-
	Expenses recognized in the statement of profit and loss	1,396	1,399
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		

Consolidated Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
	Actuarial (gain)/loss on Plan Obligations	6,621	1,014
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/ loss	721	(16)
	Effect of Balance Sheet Asset limit	(81)	(286)
	Amounts recognised in the statement of Other Comprehensive Income :	7,261	712
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	71,304	63,187
	Fair Value of Plan Assets at the end of the period	69,702	64,322
	Funded Status [(Surplus) / Deficit]	**1,602**	**(1,135)**
	Effects of asset ceiling - As at the beginning of the year	**-**	**366**
	Effects of asset ceiling - As at the end of the year	**-**	**(286)**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**1,602**	**(1,055)**
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows :		
	State Govt. Securities	0.12%	1.58%
	Govt. of India Securities	1.22%	1.36%
	High Quality Corporate Bonds	-	1.40%
	Investment with Insurer	98.65%	95.20%
	Others (Bank balance)	0.01%	0.46%
vii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Rate of increase in compensation level	7.00%	7.00%
	Expected rate of Return on Plan Assets	6.65%	7.66%
	Estimated Average Future working life	15.90	16.40
viii)	**Best Estimate of Contribution to be paid :**		
	The best estimate of contribution to be paid towards Gratuity during the annual period beginning after the Balance Sheet is ₹ 1,602 (Nil).		
ix)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.15%	8.16%
	Increase/(decrease) in defined benefit Obligation as at the end of the period	**(3,069)**	**(2,548)**
	Discount Rate (0.50% movement)decrease	6.15%	7.16%
	Increase/(decrease) defined benefit Obligation as at the end of the period	**3,329**	**2,750**
	Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	**1,049**	**1,015**
	Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	(1,133)	(1,080)

Consolidated Notes to Accounts

(₹ in Lakhs)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

iii. Maturity profile of the Gratuity defined benefit obligation is given below:

Year	As at 31 March 2020	As at 31 March 2019
Year 1	3,091	3,028
Year 2	9,288	8,145
Year 3	6,450	5,971
Year 4	7,031	6,108
Year 5	8,038	6,662
Next 5 years	33,363	34,540

Gratuity Details (In respect of Subsidiary Company -BELOP):

Details of Employee Benefits as required by the Ind AS 19 Employee Benefits are as under:

Defined Benefit Plan

i) Actuarial gains and losses in respect of defined benefit plans recognised in the statement of Profit & Loss is ₹ 36 (Previous Year ₹ 17)

ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprensive Income is ₹ 264 (Previous Year ₹ 128)

iii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

iv) Gratuity plan is funded.

		2019-2020	2018-2019
A. Change in Present Value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :			
1	Present Value of Defined Benefit Obligation at the Beginning of the period	515	343
2	Interest Cost	40	27
3	Current Service Cost	24	16
4	Past Service Cost	-	-
5	Liability Transferred In/ Acqisitions	-	-
6	(Liability Transferred Out / Divestment)	-	-
7	Losses (gains) on Curtailment	-	-
8	Liabilities extinguished on settlements	-	-
9	(Benefit Paid Directly by the Employer)	-	-
10	(Benefit Paid From the Fund)	(4)	-
11	The Effect of Changes in Foreign Exchange Rates	-	-
12	Actuarial (gains) / losses on obligations -Due to Change in Demographic Assumptions	-	-

Consolidated Notes to Accounts

(₹ in Lakhs)

		2019-2020	2018-2019
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	210	117
14	Actuarial (gains) / losses on obligations- Due to Experience	59	12
15	Present value of Defined Benefit Obligation as on Balance Sheet date	844	515
B. Change in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :			
1	Fair value of Plan assets at the Beginning of the period	369	339
2	Interest Income	29	27
3	Actual contributions by Employer	145	4
4	Expected contributions by Employees	-	-
5	Assets Transferred In/ Acquisition	-	-
6	(Assets Transferred Out / Divestment)	-	-
7	(Benefit Paid From the Fund)	(4)	-
8	(Assets Distributed on Settlements)	-	-
9	Effects of Asset Ceiling	-	-
10	The Effect of Changes in Foreign Exchange Rates	-	-
11	Return on Plan Assets, Excluding Interest Income	5	-
12	Fair value of Plan assets at the End of the Period	544	370
C. Amount Recognised in the Balance Sheet			
1	Present value of plan assets at the end of the period	(844)	(515)
2	Fair Value of plan assets at the end of the year	544	370
3	Funded status (surplus /deficit)	(300)	(145)
4	Net Asset /Liability recognised in the Balance sheet	(300)	(145)
D. Reconciliation of present value of defined benefit obligation and fair value of plan assets showing amount recognised in the Balance Sheet :			
1	Present Value of defined Benefit Obligation at the end of the period	(844)	(515)
2	Fair value of plan assets at the end of the period	544	370
3	Funded status [Surplus/(Deficit)]	(300)	(145)
4	Unrecognised Past Service Costs	-	-
5	Net asset/(Liability) recognised in Balance Sheet	(300)	(145)
E. Expenses Recognised in the statement of Profit or loss for current Period			
1	Current Service cost	25	17
2	Interest cost	11	-
3	Past service cost	-	-
4	Expected contribution by the Employees	-	-
5	Losses (gain) on Curtailments & settlements	-	-
6	Net effect of changes in foreign Exchange Rates	-	-
7	**Total expenses recognised in the statement of profit & Loss under contribution to Gratuity fund**	**36**	**17**

Consolidated Notes to Accounts

(₹ in Lakhs)

		2019-2020	2018-2019
F. Expenses Recognised in the Other Comprehensive Income (OCI)			
1	Actuarial (Gains)/Losses in the Obligation for the period	269	(128)
2	Return Plan Assets, Excluding Interest Income	(5)	-
3	Change in asset Ceiling	-	-
4	**Net (Income)/Expenses for the period Recognised in OCI**	264	(128)
G. In respect of Funded Benefits with respect to gratuity and superannuation, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"			
H. Principal Actuarial Assumptions:			
1	Discount Rate (%)	6.83%	7.76%
2	Expected Return on plan assets (%)	6.83%	7.76%
3	Salary Escalation (%)	10.50%	8.00%
4	Rate of Employee Turnover	2.00%	2.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) **Expected Rate of Return of Plan Assets :** This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) **Salary Escalation Rate :** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

I. Sensitivity Analysis

		2019-2020	2018-2019
1	Projected Benefit Obligation on Current Assumptions	844	515
2	Delta Effect +1% Change in Rate of Discouting	(70)	(42)
3	Delta Effect -1% Change in Rate of Discouting	80	48
4	Delta Effect +1% Change in Rate of salary increase	76	47
5	Delta Effect -1% Change in Rate of salary increase	(69)	(43)
6	Delta Effect +1% Change in Rate of Employee Turnover	(15)	(1)
7	Delta Effect -1% Change in Rate of Employee Turnover	17	1

J. Investment of Gratuity Fund is with Insurance Company.

Consolidated Notes to Accounts

(₹ in Lakhs)

(ii). BEL RETIRED EMPLOYEES CONTRIBUTORY HEALTH SCHEME (BERECHS) : (In respect to parent company)

The Company has a contributory health scheme for its retired employees "BEL Retired Employees' Contributory Health Scheme" (BERECHS), which is non-funded scheme. The primary objective of the scheme is to provide medical facilities to employees retiring on attaining the age of superannuation, or on VRS. Benefits under the Scheme shall be available to the employees who become members and their spouses only. The company takes insurance cover for inpatient treatment. In addition to the annual insurance premium, the Company bears 60% of the medicine cost and 75% of the cost of diagnostic tests for outpatient treatment and for the treatment of specified diseases, the Company bears the full cost of treatment, over and above the insurance coverage.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation are as follows :

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	55,625	44,872
	Current Service Cost	2,909	2,365
	Interest Cost	4,278	3,464
	Benefits paid	447	(10)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on non-plan liability - loss / (gains)	7,333	3,621
	Experience adjustments on non-plan liability - loss / (gains)	(9,687)	1,313
	Present Value of Obligation as at the end of the period	**60,905**	**55,625**
ii)	**Change in Fair Value of non-plan assets (Reimbursement rights):**		
	Fair value of non-plan assets at the beginning of the year	55,908	47,579
	Expected return on non-plan assets	4,283	3,867
	Contributions	3,836	8,876
	Benefit paid	(3,836)	(3,876)
	Actuarial gain / (loss) on non-plan Assets recognised in other comprehensive income	(352)	(537)
	Fair value of non-plan assets at the end of the period	**59,839**	**55,909**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	2,909	2,365
	Interest on Defined benefit obligation	4,278	3,464
	Net Expenses Recognised in the Statement of Profit & Loss [Expenses : Nil (₹ 547), Provisions : ₹ 7,187 (₹ 5,282)]	**7,187**	**5,829**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on non-plan Obligations	(2,353)	4,934

Consolidated Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
	Actuarial (gain)/loss on non-plan Assets	352	537
	Amounts recognised in the statement of Other Comprehensive Income	**(2,001)**	**5,471**
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	60,905	55,625
	Fair Value of Plan Assets at the end of the period	-	-
	Funded Status	(60,905)	(55,625)
	Liability recognised in Balance Sheet (as per actuarial valuation)	**60,905**	**55,625**
	Expected to be payable within next twelve months	**4,301**	**4,266**
	Expected to be payable beyond next twelve months	**56,604**	**51,359**
vi)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Medical inflation rate	6.00%	6.00%
	Attrition Rate	1.00%	1.00%
vii)	**Effect of a one percentage point increase in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :**		
	Effect on the aggregate of the service cost and interest cost	1,098	982
	Effect on the defined benefit obligation	9,313	7,599
	Effect of a one percentage point decrease in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :		
	Effect on the aggregate of the service cost and interest cost	(884)	(804)
	Effect on the defined benefit obligation	(7,423)	(6,220)
viii)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.15%	8.16%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(3,836)	(3,177)
	Discount Rate (0.50% movement)decrease	6.15%	7.16%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	4,304	3,533
	Medical Inflation Rate (0.50% movement)increase	6.50%	6.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	4,350	3,603
	Medical Inflation Rate (0.50% movement)decrease	5.50%	5.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(4,579)	(3,261)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

Consolidated Notes to Accounts

(₹ in Lakhs)

iii. Maturity profile of the BERECHS defined benefit obligation is given below:

Year	As at 31 March 2020	As at 31 March 2019
Year 1	2985	3,003
Year 2	3149	3,173
Year 3	3320	3,352
Year 4	3501	3,543
Year 5	3678	3,732
Next 5 years	20906	21,444

(iii) EMPLOYEES PROVIDENT FUND [INTEREST SHORTFALL] : (in respect of parent company)

Employees Provident Fund is managed by Provident Fund Trust of the Company. The Company contributes Management's contributions payable towards Employee Provident Fund to the Trust.

The contribution made by the company and shortfall of interest if any, is recognised as an expense in statement of profit and loss under Employee benefit expense. In accordance with the actuarial valuation of provident fund liabilities and based on the assumptions, there is a shortfall in the interest cost as the present value of the expected future earnings of the fund is less than the expected amount to be credited to the individual members based on the expected gauranteed rate of interest of the provident fund trust.

	Particulars	2019-2020	2018-2019
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	2,66,296	2,31,115
	Current Service Cost	11,500	34,793
	Interest Cost	20,793	16,957
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Actuarial (gain) / Loss	1,335	6,352
	Benefits paid	(29,210)	(22,921)
	Contributions	29,354	
	Present Value of Obligation as at the end of the period	**3,00,068**	**2,66,296**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	2,69,156	2,35,924
	Expected return on plan assets	21,012	18,698
	Contributions*	40,746	35,456
	Benefit paid	(29,210)	(22,921)
	Actuarial gain / (loss) on Plan Assets	(2,060)	1,999
	Fair value of plan assets at the end of the period	**2,99,644**	**2,69,156**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	11,500	34,793

Consolidated Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
	Interest Cost	20,793	16,957
	Expected return on Plan Assets	(21,012)	(18,698)
	Net Actuarial (gain) / loss recognised in the period	-	4,353
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Expenses Recognised in the Statement of Profit & Loss	**11,281**	**37,405**
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,00,068	2,66,296
	Fair Value of Plan Assets at the end of the period	2,99,644	2,69,156
	Effect of Balance Sheet asset limit	179	-
	Difference	**603**	**(2,860)**
	Unrecognised Actuarial (gains) / losses	-	-
	Liability recognised in Balance Sheet	**603**	-
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,00,068	2,66,296
	Plan Assets	2,99,644	2,69,156
	Effect of Balance Sheet asset limit	179	-
	Surplus/ (Deficit)	(603)	2,860
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(1,259)	(6,342)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	(2,060)	1,999
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	1,335	-
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	2,060	-
	Effect of Balance Sheet asset limit	(2,792)	-
	Amounts recognised in the statement of Other Comprehensive Income	603	-
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	44.68%/61.00%	43.73%/50.74%
	High Quality Corporate Bonds	36.72%/21.10%	39.24%/34.01%
	Mutual Funds	4.36%/1.50%	5.01%/1.75%
	Others	13.27%/12.00%	11.90%/11.76%
	Unsecured, as recoverable from Enterprise **	0.38%/4.30%	0.12%/1.74%
	Recoverable from Corporate for eliminating the net loss incurred by the turst during 2019-2020	0.59%/0.10%	
	Total	**100%/100%**	**100%/100%**

Consolidated Notes to Accounts

(₹ in Lakhs)

	Particulars	2019-2020	2018-2019
viii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Salary escalation rate	7.00%	7.00%
	Expected rate of Return on Plan Assets	8.80%/8.90%	8.30%/8.75%

*** Note:** Includes ₹ 1,231 lakhs towards interest shortfall of the Provident Fund Trust for the current year.

**** Note :** The unsecured (principal) portion of the investment which amounts to ₹ 5,740 (₹ 2,050) has been considered by the Trust as a Non-Performing Investment and this amount has been classified as an amount recoverable from the enterprise in the event of default and accordingly provided.

B. Long Term Compensated Absence : (In respect of parent company)

The Company has a Long Term Compensated Absence Scheme for its employees, which is a Non-Funded Scheme. The employees of the Company are entitled to two types of Long Term Compensated Absences: Annual Leave (AL) & Half Pay Leave (HL) in case of Executives and Annual Leave (AL) & Sick Leave (SL) in case of Non-Executives. The scheme provides for compensation to employees against the unavailed Leave (AL & HL in case of Executives and AL & SL in case of Non-Executives) on attaining the age of superannuation, VRS or death. AL can also be encashed during service or at the time of resignation.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amount recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary:

	Particulars	2019-2020	2018-2019
i)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Net Expenses Recognised in the Statement of Profit & Loss [2019-2020 Leave Encashed : ₹ 1,073, Provisions : ₹ 8,552] [2018-2019 Leave Encashed : ₹ 773, Provisions : ₹ 6423]	9,625	7,196
ii)	**Amounts to be recognised in Balance Sheet :**		
	Liability recognised in Balance Sheet [As per Actuarial Valuation]	**35,699**	**27,147**
iii)	**Actuarial Assumptions :**		
	Discount Rate	6.65%	7.66%
	Rate of increase in compensation level	7.00%	7.00%
iv)	Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months/beyond 12 months.		
	Current leave obligations expected to be settled within the next 12 months	3,115	2,417
	Leave obligations expected to be settled beyond 12 months	32,584	24,730
	Total	**35,699**	**27,147**

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(₹ in Lakhs)

Long Term Compensated Absence (in respect of Subsidiary Company - BELOP)

Leave encashment

The company has a leave encashment scheme which is a non-funded scheme.

As per the scheme all employees of the company are entitled to encash their accumulated Annual Leave subject to the retention of minimum leave as prescribed for each grade. The encashed leave is payable at the rate of (Basic+DA)/30 per day.

The liability for payment of long term compensated absence such as annual leave valued on actuarial basis is ₹ 393 as on 31.03.2020. The actuarial valuation has been done using PUC method.

Particulars	31 March 2020	31 March 2019
Retirement Age	58 years	58 years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	8%
Rate of Discounting	6.83%	7.76%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The amount of Liability on long term compensated absences has been bifurcated between current and non-current based on the report of Actuary.

Particulars	31 March 2020	31 March 2019
Current Liability	23	16
Non Current Liability	370	221
Total	**393**	**237**

C. Pension Scheme : [In respect of Parent company]

The Company has got a defined contribution pension benefit plan for the benefit of its employees in respect of which contribution is made on an annual basis to a Trust setup for this purpose.

The benefit under the scheme are available for the employees as per the rules laid down in this regard.

i) A narrative description of the specific or unusual risks arising from a defined benefit plan (i.e. Gratuity and BERECHS)

The specific risk relating to defined benefit plans are as follows :- Movement in long term government bond rate between two reporting periods which will impact discount rate and consequently the present value of obligations. Risk of higher / lower salary escalation / benefit as considered for valuation vis-a-vis the actual experience through the Financial Year. However, both the risks are mitigated on a regular basis i.e. yearly as valuations are done after every year based on updated assumptions.

ii) A narrative description of any asset-liability matching strategies.

The gratuity plan of the company is a funded plan. The assets backing this plan are predominantly insurer-managed funds. Hence the company has limited flexibility in terms of implementing asset-liability matching strategies for this plan. The post retirement medical plan of the company is an unfunded plan. Hence asset-liability matching strategies are not relevant for this plan.

iii) A description of the funding arrangements and funding policy.

The Gratuity plan of the company is a funded plan. 98.65% (95.20%) of the plan assets backing this plan are insurer managed assets and 1.34% (2.94%) of the plan assets are invested in Central and State Government Securities. The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.The post-retirement medical plan [BERECHS] is an unfunded plan.

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(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
NOTE 22		
Other liabilities		
Non Current		
Deferred revenue - customer grants	112	475
Sub Total (A)	**112**	**475**
Current		
Deferred revenue - customer grants	363	389
Contract liability		
- Customer advance received	8,83,299	7,27,913
- Deferred revenue	3,615	4,211
Statutory liabilities	31,413	11,347
Others	3,788	2,375
Sub Total (B)	**9,22,478**	**7,46,235**
Total (A+B)	**9,22,590**	**7,46,710**

i. Contract Liability

An amount of ₹ 1,63,559 (₹ 2,11,270) has been adjusted against opening balance of contract liability out of revenue recognised during the year.

		For the Year Ended 31 March 2020		For the Year Ended 31 March 2019
NOTE 23				
Revenue from operations				
Sale of Products	11,29,980		10,63,117	
Income from Services	1,33,678		1,22,353	
		12,63,658		**11,85,470**
Other operating revenue				
Sale of scrap		548		500
Transport receipts		390		376
Rent receipts		709		630
Canteen receipts		1,233		1,143
Electricity charges collected		203		191
Water charges collected		54		59
Provisions withdrawn				
- Performance warranty	5,826		-	
- Onerous contracts	4,114		4,046	
- Doubtful debts, Liquidated Damages	4,302		6,854	
- Inventory	6,620		5,278	
- Loans & advances	304		198	
- Others *	102		75	
		21,268		16,451
Government grants including duty drawback		2,125		1,993
Customer grants		389		411
Miscellaneous		6,190		9,193
		12,96,767		**12,16,417**

* Includes ₹ 33 towards recoveries out of the receivable from the employee. Refer Note 30 (18).

Consolidated Notes to Accounts

(₹ in Lakhs)

(i) Disaggregation of revenue recognised against contracts with customers (2019-2020)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	9,23,545	1,01,391	72,569	32,475	11,29,980
Income from Services	99,747	29,637	1,682	2,612	1,33,678
Total	**10,23,292**	**1,31,028**	**74,251**	**35,087**	**12,63,658**

Out of above Group's Export sales, ₹ 35,087 pertains to BEL (Parent company). In addition to this GE-BE Pvt Ltd has exports of ₹ 1,05,840 (value not included above).

Disaggregation of revenue recognised against contracts with customers (2018-2019)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	7,00,819	3,41,696	7,128	13,474	10,63,117
Income from Services	1,04,663	16,356	909	425	1,22,353
Total	**8,05,482**	**3,58,052**	**8,037**	**13,899**	**11,85,470**

Out of above Group's Export sales, ₹ 13,819 pertains to BEL (Parent company) and ₹ 80 pertains to BEL Thales. In addition to this GE-BE Pvt Ltd has exports of ₹ 94,287 (value not included above).

(ii) Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price.

Particulars	2019-2020		2018-2019	
	Amount	Amount	Amount	Amount
Revenue as per Statement of Profit and Loss Account				
Sale of Products	11,29,980		10,63,117	
Income from services	1,33,678		1,22,353	
Total (a)		**12,63,658**		**11,85,470**
Add / (Less) adjustment to contract price				
Foreign exchange variation claim	(16,830)		(3,647)	
Price revision	-		5,073	
Discount, rebate offered	71		190	
Others	(10,769)		(914)	
Total adjustment (b)		**(27,528)**		**702**
Contract price (a+b)		**12,36,130**		**11,86,172**

Satisfaction of performance obligation

a. In majority of the contract, performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. One of the prime indicator considered for this is transfer of significant risk and rewards to the customer based on Inco terms. Where a contract involves multiple performance obligation, the criteria specified in Ind AS 115 is applied to determine the point in time when the performance obligation is satisfied.

Consolidated Notes to Accounts

(₹ in Lakhs)

b. Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract. Normally no obligation towards custodial service exists.

c. Contract with the customer normally do not contain significant financial component and any advance payment received and / or amount retained by customer is with intention of protecting either parties to the contract.

d. Variable consideration primarily consist of amount receivable / reimburseable against foreign exchange variation clause. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue on admittance/accrual of claim by customer.

e. The Group turnover mainly includes supply of defence electronics equipments and systems.

f. Contract entered into with customer, typically do not have a return / refund clause.

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

h. The company normally uses the input method to recognise revenue is respect of contracts in which performance obligation are satisfied over a period of time. For revenue recognisation, the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised.

i. Contract with customer (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments, networking of equipment and system etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e. output) reliably. Whereas, under input method, the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably), for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

j. For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether customer has obtained "Control on asset".
   - Transfer of significant risk and rewards
   - Customer has legal title to the asset
   - The entity has transferred physical possession of the asset
   - Customer has accepted the asset
   - Entity has the present right to payment for the asset

k. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligation is based on relative standalone selling price.

l. No non-cash consideration are received / given during the current / previous year.

(iii) An amount of ₹ 7,725 (₹ 2,974) (net) has been recognised as revenue during the year out of performance obligation satisfied in previous periods.

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
NOTE 24		
Other Income		
Interest income on term deposits	7,058	3,560
Interest income from staff / IT refund / others	2,199	2,214
Profit on sale of property, plant & equipments	21	27
Foreign exchange differential gain	-	1,102
Rental income - Investment property	145	123
Miscellaneous (net of expenses)	517	273
	9,940	**7,299**

The Foreign Exchange Gain / Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement / reporting date.

		For the Year Ended 31 March 2020		For the Year Ended 31 March 2019
NOTE 25				
Changes in inventories of finished goods, work in progress & scrap				
Work-in-progress:				
Closing Inventory	1,29,731		1,55,848	
Opening Inventory	1,55,848		1,43,206	
		26,117		(12,642)
Finished goods:				
Closing Inventory	24,146		22,626	
Opening Inventory	22,626		22,691	
		(1,520)		65
Scrap :				
Closing Inventory	193		306	
Opening Inventory	306		209	
		113		(97)
		24,710		**(12,674)**
Less: Unrealised Profit on Stock		(221)		394
		24,931		**(13,068)**

Consolidated Notes to Accounts

(₹ in Lakhs)

		For the Year Ended 31 March 2020		For the Year Ended 31 March 2019
NOTE 26				
Employee benefits expense				
Salaries, wages and bonus / ex-gratia		1,65,226		1,51,159
Retirement benefit expenses				
Gratuity	1,432		1,417	
Contribution to provident and pension funds	12,417		10,653	
Management contribution to BEL superannuation (Pension) scheme	5,565		5,399	
Provision for BEL retired employees' contributory health scheme	7,187		5,282	
		26,601		22,751
Welfare expenses* [including salaries ₹ 1,101 (₹ 1,165) PF contribution ₹ 100 (₹ 101)]		15,682		15,653
		2,07,509		**1,89,563**
Less: Expenditure allocated to capital jobs		(35)		(49)
		2,07,474		**1,89,514**

* Refer Note 21 (A) (iii), accordingly a provision of ₹ 3,690 (₹ 2,050) is made.

Refer Note 31 for Remuneration to Key Managerial Personnel.

		For the Year Ended 31 March 2020		For the Year Ended 31 March 2019
NOTE 27				
Finance costs				
Interest expenses				
Interest on dues to Micro & Small Enterprises	5		1	
Interest on income tax	-		1,149	
Interest expense on lease liability	28		-	
Other interest expenses	263		77	
		296		1,227
Other borrowing cost				
Loan processing charges		64		48
		360		**1,275**

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
NOTE 28		
Depreciation / amortization		
Depreciation / amortisation on property, plant & equipment	35,388	32,326
Depreciation on investment property	1	1
Amortisation on other intangible assets	1,613	1,479
Depreciation / amortisation on right of use assets	184	7
	37,186	**33,813**

		For the Year Ended 31 March 2020		For the Year Ended 31 March 2019
NOTE 29				
Other expenses				
Power and fuel *		3,726		4,003
Water charges		434		385
Royalty & technical assistance		526		1,204
Rent		2,288		2,478
Rates & taxes		868		561
Insurance		1,149		1,055
Auditors remuneration				
Audit fees	21		20	
Tax audit fees	4		4	
Other services (Certification fees)	6		4	
Reimbursement of expenses	10		6	
		41		34
Cost audit fee		4		4
Repairs & maintenance				
Buildings	2,187		1,992	
Plant & machinery	1,212		1,310	
Others	7,844		7,374	
		11,243		10,676
Bank charges		406		318
Printing and stationery		451		469
Advertisement & publicity		740		1,393
Travelling expenses		11,633		13,865
Hiring charges for van & taxis		1,297		1,558
Packing & forwarding		3,806		2,946
Bad debts & advances written off	23,041		14,075	
Less: Charged to provisions	(22,899)		(13,909)	
		142		166
Provision for obsolete / redundant materials		7,153		14,711

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the Year Ended 31 March 2020		For the Year Ended 31 March 2019	
Provisions for doubtful debts, liquidated damages, customers' claims and disallowances		36,185		33,289
Provision for doubtful advances, claims		172		3,257
Provision for performance warranty (net) **		-		10,212
Write off of raw materials, stores & components due to obsolescence and redundancy	229		289	
Less: Charged to provisions	(229)		(269)	
		-		20
Provision others ***		-		124
Provision for Intangible assets under development		-		3,707
Intangible assets under development charged off		-		1,745
Contract cost charged off		1,247		3,348
Corporate social responsibility		2,912		2,142
Contribution made to Defence Innovation Organisation		-		5,000
Others				
Other Misc Direct Expenditure	10,992		18,235	
Foreign Exchange Differential Loss	1,827		-	
After Sales Service	297		913	
Telephones	1,053		1,009	
Expenditure on Seminars & Courses	867		817	
Other Selling Expenses	1,288		748	
Write off of Fixed Assets / Capital WIP	-		1	
Miscellaneous	4,784		4,899	
		21,108		26,622
		1,07,531		**1,45,292**
Less: Expenditure allocated to capital jobs		(3,412)		(3,442)
		1,04,119		**1,41,850**

* Wind Energy Generated netted off.

** Refer Note 21

*** Provision others of Nil for the financial year 2019-2020 includes ₹ 936 as recoverable from employee and provision for the said recovery for ₹ 936. Refer Note 30 (18).

The Foreign Exchange Gain/Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement / reporting date.

Consolidated Notes to Accounts

(₹ in Lakhs)

NOTE 30
General Notes to Accounts

1. Earnings per Equity Share

		2019-2020	2018-2019
a.	**From continuing operations**		
	Basic earnings per share (INR)	7.49	7.74
	Diluted earnings per share (INR)	7.49	7.74
b.	Amounts used as the numerators in calculating basic and diluted earnings per share	1,82,472	1,88,667
c.	Number of Shares used in computing earnings per share	243,65,92,943	243,65,92,943

2. Consolidation Procedure

The Consolidated Financial Statements ("CFS") have been prepared on the basis of audited financial statements of the Parent Company viz., Bharat Electronics Limited (BEL), its subsidiaries viz., BEL Optronic Devices Limited, Pune (Share Holding 100%) and BEL-THALES Systems Limited, Bangalore (Share Holding 74%) (Incorporated on 28.08.2014), and audited financial statements of Associate Company viz., GE BE Private Limited, Bangalore (Share Holding 26%). The financial statements of the Parent and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and unrealized profit / loss. In respect of Associate GE BE Pvt Ltd, consolidation has been done on equity method basis. The financial statements of the subsidiaries and Associate are drawn upto the same reporting date as that of the Parent Company.

Another associate company, Defence Innovation Organisation (DIO), a not for profit company registered under Sec. 8 of the Companies Act, 2013 is not considered for consolidation as the parent company do not exercise any control and also do not have any right on variable returns, other than equity investment.

3. The difference between the cost to the parent company of its investment in the subsidiary companies and the parent company's portion of the equity in the subsidiary with reference to the date of acquisition of controlling interest is recognised in the financial statements as Goodwill / Capital Reserve. The parent company's share of post acquisition profit / losses of the subsidiaries is adjusted in the revenue reserves.

4. Non Controlling interests in the net results of operations and the net assets of the subsidiaries represent that part of the profit / loss and the net assets not attributable to the parent company.

5. Additional information disclosed in individual financial statements of the parent and subsidiaries / Associate having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

6. Statement of Compliances

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provision of the Act.

The Company's standalone financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

Consolidated Notes to Accounts

(₹ in Lakhs)

7. Impairment of Assets

The parent company has analysed indications of impairment of assets of each geographical composite manufacturing unit considered as Cash Generating Units (CGU). On the basis of assessment of internal and external factors, an amount of ₹ 124 (₹ 3,831) is provided as provision for impairment. The subsidiaries (BEL Optronic Devices Limited and BEL-THALES Systems Limited) and Associate (GE BE Private Ltd.) have also analysed indications of impairment of assets and found no indication of impairment of assets and hence no provision for the same is considered necessary.

8. Short Term Borrowings

a. The parent company has been sanctioned working capital limit of ₹ 4,00,000 by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes fund based limit of ₹ 50,000 and non fund based limit of ₹ 3,50,000.

b. The interest rate payable on fund based limit is linked to SBI 1 year MCLR Rate. [Interest rate payable as on 31.03.2020 is 7.90% p.a. (8.55% p.a.)].

c. The amount utilised is repayable on demand. Utilisation as on 31.03.2020 is Nil (Nil).

d. The above sanction limit is secured by hypothecation of Current Assets of the parent company.

The subsidiary company [BELOP] has been sanctioned working capital limit of ₹ 4,600 by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 8.80% (8.80%) p.a. [Axis Bank] and 8.70% (8.30%) p.a. [SBI].

9. Contractual Commitments

Particulars	As at 31 March 2020	As at 31 March 2019
A. Estimated amount of contracts remaining to be executed on Capital Account and not provided as on 31 March		
Property, Plant & Equipments	50,406	29,737
Investment Property	-	-
Other Intangible Assets	1,856	2,787
B. Contractual Commitment for Repair and Maintenance or enhancement of Investment Property	-	-
C. Other commitments i.e., Non-cancellable contractual commitments (i.e., cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31 March.	-	-

10. Contingent Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Claims not acknowledged as debts	1,04,875	24,417
Outstanding Letters of Credit	89,273	38,201
Others	2,945	4,428
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	24,846	34,397

Consolidated Notes to Accounts

(₹ in Lakhs)

11. Contingent Assets

Particulars	As at 31 March 2020	As at 31 March 2019
Nil	-	-

12. Leases [Parent Company]

Adoption of Ind AS 116

Effective 1 April, 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach and hence the comparative information is not restated. The adoption of the standard did not have any material impact on the financial statements of the company.

a) As a Lessor:

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year;	399	339
Later than one year and not later than five years;	486	594
Later than five years.	2,910	1

The company has Leased out Point of Sales machines to Government of Haryana for period of five years from 2016-17 to 2021-22.

The company has Leased out few portions of Land to different organizations under non-cancellable operating Lease. Lease period is spread over from the year 1967 to 2077. The leases have various terms, escalation clause, lease renewal rights etc. On renewal, the terms of the lease are renegotiated.

The company has not recognized any income as contingent rent.

b) As a Lessee:

The Group has leases that were classified as finance lease applying Ind AS 17, for such leases the carrying amount of the right of use amount at the date of initial application of Ind AS 116 is the carrying amount of the lease on the transition date as measured applying Ind AS 17. Accordingly an amount of ₹ 1,293 [Parent Company ₹ 1,275 and BELOP ₹ 18] has been reclassified from property, plant and equipment to right of use assets.

On transition, the company recognises right of use asset representing its right to use the underlying asset for the unexpired lease period.

The right of use asset is recognised at :

a) The carrying amount of prepaid rent when no future lease payments are payable. or

b) At the carrying amount and discounted at incremental borrowing rate. Accordingly right of use asset is ₹ 365 and Corresponding lease liability ₹ 365 has been recognised. On application of Ind AS 116 in respect of these assets, nature of expenses has been reclassified from lease rent to depreciation cost for right of use asset and finance cost for interest accrued on lease liability.

The above lease contracts, entered by company pertains to land taken on lease for generation of power and buildings for business purposes. The company has restriction with respect to disposal of these assets.

The company has not recognized any expenses as contingent rent.

The maturity analysis of contractual cash flows of lease liabilities disclosed in Note 34.

Consolidated Notes to Accounts

(₹ in Lakhs)

The future minimum lease rent payable

Particulars	As at 31 March 2020
Not later than one year;	134
Later than one year and not later than five years;	193
Later than five years.	-

13. Confirmation of Balances

Letters requesting confirmation of balances have been sent in respect of Trade Receivables, Trade Payables, Advances and Deposits. Wherever replies have been received, reconciliation is under process and provisions / adjustments are made wherever considered necessary.

14. Segment Reporting

Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5 June, 2015 and as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.

15. COVID - 19 Impact

The outbreak of CORONA Virus (COVID-19) Pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no material impact on the financial statement of the company.

In the preparation of financial statements, the company has considered probable effects from the pandemic relating to COVID-19 on the carrying amount of the Inventories, Receivables, other assets and revision in cost estimates for completing the contract/penalties for non fulfillment of contractual obligations. Major customers of the company are from Indian defence services. Since the supplies are based on firm and fixed contracts there is no impact on the business due to this pandemic. Further as the major amount of receivable is from Ministry of Defence, Government of India, Government and Government related entities the company expects that the balances are realisable.

The extent of the impact of COVID-19 on the future operational and finance performance will depend on certain developments including the duration and spread of the out break, the future impact on employees, vendors all of which are uncertain and cannot be predicted. As the impact of COVID-19, if any on the future operational and financial performance of the company would be different from management estimates in this regard, the company will continue to closely monitor any changes as they emerge.

16. Dividend not recognised at the end of the reporting period [parent company]

The directors have recommended a final dividend of INR 1.40 (INR 1.70) per share [represents absoulute figure].

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would results in cash outflow of approximately of ₹ 34,112.

17. Value of remaining Performance Obligations (Pending Orders to be executed)

Unrecognised revenue from contracts with customer which are partially satisfied or unsatisfied (Pending orders to be executed)

Particulars	Total Amount	Within a Year	1-2 Years	2-3 Years	More than 3 Years
Unexecuted order value	52,07,386	16,22,200	16,51,001	10,12,475	9,21,710

Consolidated Notes to Accounts

(₹ in Lakhs)

Typically major orders are from defence which involves long gestation period. Company expect to recognise revenue in respect of unsatisfied (or partially unsatisfied) performance obligation over a period of 3 - 5 years.

18. During the year, a fraud on the Parent company by the employees amounting to ₹ 1,000 has been detected during the routine internal audit. Out of the said amount ₹ 64 has been recovered and the balance amount of ₹ 936 is recognised as receivable, pending recovery, the same has been provided for as doubtful in the statement of profit and loss. The Parent company has initiated appropriate actions and the investigation is in process.

19. An amount of ₹ 25 (₹ 50) has been contributed by parent company to Defence production IT Division which has been created as one of the division of HAL to implement IT related initiatives in Dept. of Defence Production including Ordnance Factory Board (OFB) and Defence Public Sector Units.

20. The parent company has re-classified receipt of grant from operating activities to investing activities as a reduction in purchase of property, plant and equipment for better presentation.

21. Retention Sales [Parent Company]

Due to lockdown on account of COVID-19, physical movement of goods was not possible and the goods have been retained with the company at the customer's request and at their risk. The Value of Retention Sales included in Turnover during the year is ₹ 1,77,962 (₹ 14,139).

Out of the above, the Value of Ex-works Sales is ₹ 29,959 (₹ 4,456).

22. Figures in brackets relate to previous years.

23. All figures in the consolidated financial statements are rounded off to nearest lakhs unless otherwise mentioned.

24. The consolidated Ind AS financial statements were approved for issue on 29 June, 2020 by the Board of Directors.

NOTE 31

Related Party Transactions

a. Associates

Name of the entity	Place of Business	Ownership interest held by the parent company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
GE BE Private Limited	India	26%	26%	-	-	Manufacturing of Medical Equipments.
Defence Innovation Organisation	India	50%	50%	50%	50%	Carrying out Defence related Research and Developmental activities.

Consolidated Notes to Accounts

(₹ in Lakhs)

b. Key Management Personnel's Details

i. Name of Key Management Personnel

Mr M V Gowtama, Chairman & Managing Director
Mrs Anandi Ramalingam, Director [Marketing]
Mr Koshy Alexander, Director [Finance] & CFO
Mr Mahesh V, Director [R&D]
Mr Vinay Kumar Katyal, Director [BG Complex]
Mr Shivakumaran K M, Director [HR] from 11.06.2019
Mrs Shikha Gupta, Director [Other Units] from 01.12.2019
Mr Nataraj Krishnappa, Director [Other Units] upto 30.11.2019
Mr Bagdalkar R N, Director [HR] upto 30.05.2019
Mr S Sreenivas, Company Secretary
Mr DCN Srinivasa Rao, CEO - BELOP
Mrs Priya S Iyer, Company Secretary & CFO - BELOP
Mr Emmanuel de Roquefeuil, Director - BEL THALES Systems
Mr Rajiv Kumar Sikka, CEO - BEL THALES Systems
Mr Abhishek Kumar, CFO - BEL THALES Systems
Mr Harish M V, Company Secretary - BEL THALES Systems upto 08.04.2019
Mr Sanjog Mohapatra, Company Secretary - BEL THALES Systems from 08.04.2019

ii. Compensation to Key Management Personnel

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Short term employee benefits	582	482
Post employment benefits	32	33
Long term employee benefits	63	52
Termination benefits	-	-
Share based payment	-	-
Total	**677**	**567**

c. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) :

Particulars	Associate	
	GE BE Private Ltd	Defence Innovation Organisation
Sale of Goods	2,519	-
	(2,477)	-
Dividend Income on Investments	-	-
	(9,360)	-
Reimbursement of expenses	-	-
	-	(3)

Consolidated Notes to Accounts

(₹ in Lakhs)

Particulars	Associate	
	GE BE Private Ltd	Defence Innovation Organisation
Contribution provided during the year	-	-
	-	(5,000)
Trade Receivables Outstanding as on 31.03.2020	691	-
	(764)	-
Investment in Equity as on 31.03.2020	260	1
	(260)	(1)
Contribution oustanding as on 31.03.2020	-	4,000
	-	(4,500)

d. All transactions dealt with related parties are on arm's length basis.

e. All Outstanding balances are Unsecured and is repayable / receivable in cash within next 6 months.

f. Transaction with Government and Government Related Entities by the parent company:

As BEL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions : -

An amount of ₹ 40,612 (₹ 31,364) was paid as Dividend during the FY 2019-2020. In addition to the above, around 91% (98%) of the Company's Turnover, around 97% (95%) of Trade Receivables and around 99% (98%) of Customer's Advance is with respect to government and government related entities.

g. Defence Innovation Organisation (DIO) was incorporated on 10th April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises in Bangalore.

NOTE 32
Interest in Other Entities

a. Subsidiaries

Name of the entity	Place of Business / Place of Incorporation	Ownership interest held by the company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
BEL Optronic Devices Ltd. (BELOP)	India	100%	100%	-	-	Manufacture and Supply of Image Intensifier Tubes.
BEL - THALES Systems Ltd.	India	74%	74%	26%	26%	Design, Develop, Supply and Support of Defence and Civilian Radars.

Each holder of Equity Shares is entitled to one vote on show of hands and in poll in proportion to the number of Shares held.

Consolidated Notes to Accounts

(₹ in Lakhs)

b. Non-controlling interests (NCI)

i. Summarised Financial Information relating to each of the Company's subsidiaries that has material Non Controlling Interests, before any intra group eliminations

Summarised Balance Sheet	BEL - THALES Systems Ltd.	
	As at 31 March 2020	As at 31 March 2019
NCI percentage	**26%**	**26%**
Non - Current assets	1,859	1,379
Current assets	9,842	4,118
Total Assets	**11,701**	**5,497**
Non - Current liabilities	123	5
Current liabilities	6,128	376
Total liabilities	**6,251**	**381**
Net assets	**5,450**	**5,116**
Net assets attributable to NCI	**1,417**	**1,330**

Summarised Statement of Profit & Loss	BEL - THALES Systems Ltd.	
	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Revenue	4,430	938
Profit	334	104
Other comprehensive income (OCI)	-	-
Total comprehensive income	**334**	**104**
Profit allocated to NCI	**87**	**27**
OCI allocated to NCI	-	-
Total comprehensive income allocated to NCI	87	27

Summarised Cash Flows	BEL - THALES Systems Ltd.	
	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Cash flows from Operating activities	4,166	(431)
Cash flows from Investing activities	(1,217)	819
Cash flows from Financing activities	(41)	-
Net increase / (decrease) in cash and cash equivalents	2,908	388

ii. Transactions with non-controlling interests - Nil.

c. Interest in Associates

Name of the Entity	Place of Business / Place of Incorporation	% of ownership interest	Relationship	Accounting Method	Carrying Amount	
					As at 31 March 2020	As at 31 March 2019
GE BE Private Limited	India	26%	Associate	Equity Method.	16,209	13,024
Defence Innovation Organisation	India	50%	Associate	#	1	1

Consolidated Notes to Accounts

(₹ in Lakhs)

Represents investment made with Defence Innovation Organisation, a not for profit company registered under Sec 8 of the Companies Act, 2013. The parent company does not exercise any control and does not have any right on variable returns from associates other than equity investment of INR 50,000 [represents absolute figure].

Fair Value of the investment in Associate is not disclosed as the equity of GE BE Private Ltd is unquoted.

GE BE Private Ltd is a manufacturer of medical instruments and its products complement the Business segment of Components SBU of BEL Bangalore and BEL Pune Unit.

Carrying amount of the Company's interest in GE BE Private Ltd. (Audited)

Summarised Balance Sheet	As at 31 March 2020	As at 31 March 2019
Non - Current assets	22,736	20,269
Current assets :		
Cash and Cash equivalents	338	761
Other assets	63,655	48,241
Total Current assets	**63,993**	**49,002**
Total assets	**86,729**	**69,271**
Non - Current liabilities :		
Financial liabilities other than trade payables	56	-
Other liabilities	1,010	1,006
Total Non - Current liabilities	**1,066**	**1,006**
Current liabilities :		
Financial liabilities other than trade payables	1,176	551
Other liabilities.	22,117	17,622
Total Current liabilities	**23,293**	**18,173**
Total liabilities	**24,359**	**19,179**
Net assets	**62,370**	**50,092**
Less : unrealised profit on stock	(7)	-
Company's share of Net assets	**16,209**	**13,024**

Summarised Statement of Profit & Loss	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Revenue	1,21,366	1,09,420
Interest Income	1,546	3,523
Depreciation and amortisation	3,112	2,716
Interest expense	41	117
Income tax expense	4,011	8,343
Profit for the year	12,369	14,862
Other comprehensive income	(91)	(56)
Total comprehensive income	12,278	14,806
Company's share of Profit	3,216	3,864

Consolidated Notes to Accounts

(₹ in Lakhs)

Summarised Statement of Profit & Loss	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Unrealised profit on stock	(7)	-
Net company's share of profit	3,209	3,864
Company's share of OCI	(24)	(15)
Company's share of total comprehensive income	3,185	3,849

The Parent Company has received Dividend of Nil (₹ 9,360) from its Associate (GE BE Private Limited).

Reconciliation to carrying amounts		
Particulars	**For the Year Ended 31 March 2020**	**For the Year Ended 31 March 2019**
Opening net assets	**13,024**	**20,458**
Profit for the year	3,209	3,864
Other comprehensive income	(24)	(15)
Dividend paid [incl dividend distribution tax]	-	11,283
Closing net assets	**16,209**	**13,024**

Commitments and Contingent Liabilities in respect of Associates		
Particulars	**GE BE Pvt. Ltd.**	
	As at 31 March 2020	**As at 31 March 2019**
Capital Commitments	268	320
Other Commitments	-	-
Other Contingent Liabilities	831	803

Name of the Entity		Defence Innovation Organisation
Place of Business / Place of Incorporation		India
% of ownership interest		50%
Relationship		Associate
Carrying Amount	2019-2020	1
	2018-2019	1

Consolidated Notes to Accounts

(₹ in Lakhs)

d. Additional information required under Schedule III

Name of the Entity	Year	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent :									
Bharat Electronics Ltd.	2019-2020	95.52%	9,63,383	97.89%	1,78,628	92.97%	(3,814)	98.00%	1,74,814
	2018-2019	95.74%	8,83,144	97.15%	1,83,281	97.44%	(4,021)	97.14%	1,79,260
Subsidiaries :									
Indian									
BEL Optronic Devices Ltd. (BELOP)	2019-2020	2.33%	23,528	0.16%	301	6.44%	(264)	0.02%	37
	2018-2019	2.30%	21,196	0.75%	1,418	2.20%	(91)	0.72%	1,327
BEL - THALES Systems Ltd.	2019-2020	0.40%	4,033	0.14%	247	0.00%	-	0.14%	247
	2018-2019	0.41%	3,786	0.04%	77	0.00%	-	0.04%	77
Non Controlling Interest in Subsidiary:									
Indian									
BEL - THALES Systems Ltd.	2019-2020	0.14%	1,417	0.05%	87	0.00%	-	0.05%	87
	2018-2019	0.14%	1,330	0.01%	27	0.00%	-	0.01%	27
Associates (investment as per the equity method) :									
Indian									
GE BE Pvt. Ltd.	2019-2020	1.61%	16,209	1.76%	3,209	0.59%	(24)	1.79%	3,185
	2018-2019	1.41%	13,024	2.05%	3,864	0.36%	(15)	2.09%	3,849
Total	**2019-2020**	**100%**	**10,08,570**	**100%**	**1,82,472**	**100%**	**(4,102)**	**100%**	**1,78,370**
	2018-2019	**100%**	**9,22,480**	**100%**	**1,88,667**	**100%**	**(4,127)**	**100%**	**1,84,540**

Consolidated Notes to Accounts

(₹ in Lakhs)

NOTE 33

Financial Instruments - Fair Value Measurements

1. Accounting classification and fair values

The following tables shows the carrying amount and fair values of financial assets and liabilities:

		As at 31 March 2020			As at 31 March 2019		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets measured at fair value						
I	**Investments**						
i	Equity Instruments – Mana Effluent Pvt Ltd	-	11	-	-	9	-
ii	Equity instruments - Defence Innovation Organisation	-	1	-	-	1	
iii	Other Investments						
a.	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment & BERECHS)	94,811	-	-	83,408	-	-
	Sub Total	**94,811**	**12**	-	**83,408**	**10**	-
	Financial Assets not measured at fair value						
II	Trade Receivables	-	-	6,72,402	-	-	5,37,367
III	**Loans**						
a	Security deposits	-	-	4,104		-	3,499
b	Loans to Employees	-	-	863	-	-	871
IV	Cash and cash equivalents	-	-	1,62,063	-	-	75,970
V	Other Bank Balances	-	-	3,987	-	-	21,217
VI	**Other Financial Assets**						
a	Advance to Employees	-	-	178	-	-	130
b	Advance to Others	-	-	2	-	-	3
c	Receivables (other than Trade Receivables)	-	-	1,056	-	-	872
d	Interest accrued but not due on term deposits	-	-	299	-	-	152
e	Interest accrued on term deposits	-	-	4	-	-	1
f	Bank deposits with more than 12 months maturity	-	-	71	-	-	19
g	Margin money held with Banks	-	-	-	-	-	70
h	Others	-	-	4,490	-	-	5,274
	Other Investments						
a	Investment in Co-operative societies, Housing Societies etc.*	-	-	-	-	-	-
	Sub Total	**-**	**-**	**8,49,519**	**-**	**-**	**6,45,445**
	Total	**94,811**	**12**	**8,49,519**	**83,408**	**10**	**6,45,445**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

Consolidated Notes to Accounts

(₹ in Lakhs)

		As at 31 March 2020			As at 31 March 2019		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Liabilities measured at fair value		-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities not measured at fair value							
I	Borrowings	-	-	-	-	-	-
II	Trade Payables	-	-	2,45,033	-	-	1,43,431
III	**Other Financial Liabilities**						
a	Interest Accrued and due on Trade Payables	-	-	7	-	-	3
b	Current Maturities of Long Term Debt			833	-	-	3,334
c	Security Deposits	-	-	22,399	-	-	13,317
d	Unpaid Matured Deposits	-	-	37	-	-	37
e	Unpaid Dividend	-	-	148	-	-	7,105
f	Non Trade Payables dues to MSME			270			111
g	Outstanding Expenses	-	-	49,580	-	-	67,598
h	Other Trade payables	-	-	14,060	-	-	15,209
i	Interest Accrued and due - Term loan	-	-	-	-	-	29
j	Other Lease liability	-	-	297	-	-	-
k	Other Liabilities	-	-	1,183	-	-	1,866
	Total	**-**	**-**	**3,33,847**	**-**	**-**	**2,52,040**

2. Fair value hierarchy

The hierarchy levels used for Fair value measurements of Financial instruments wherever applicable is given below:

	Particulars	Note	As at 31 March 2020			As at 31 March 2019		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I	**Financial Assets and Liabilities measured at Fair value – recurring fair value measurements**							
A	Financial Assets							
i	Financial Investments at FVPL	6	-	94811	-	-	83408	-
ii	Financial Investments at FVOCI - Unquoted	6	-	-	12	-	-	10
II	**Financial Assets and Liabilities which are measured at Amortised Cost**		No separate Fair value is disclosed as the Carrying value of these Assets and Liabilities represents their Fair Value.					

Level 1: Level 1 hierarchy includes Financial instruments measured using quoted prices.

Level 2: The fair value of Financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case of unlisted equity shares.

Consolidated Notes to Accounts

(₹ in Lakhs)

3. Valuation technique used to determine Fair Value :

a. LIC Investment - (Level 2)
Based on valuation report of the Scheme provided by LIC.

b. Mana Effluent Treatment Plant Ltd - (Level 3)
BEL has invested in equity securities of Mana Effluent Treatment Plant Ltd. which is an unlisted company. The Company's cost of investment in Mana Effluent Treatment Plant Ltd is only ₹ 5 (out of issued Share Capital of ₹ 163). The company has opted for Net Asset Value method for fair valuation.

c. Defence Innovation Organisation (DIO) - (Level 3)
BEL has contributed towards equity capital of M/s Defence Innovation Organisation (DIO), a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an objective of funding innovation in defence sector. The company has opted for Net Asset Value method for fair valuation.

NOTE 34
Financial risk management

i. Risk Management framework and policies

The Group is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates, interest rates and price risk) as a result of financial instruments.

Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Group's Risk Management Framework. The Board has set up a Risk Management Committee, for this purpose, which is responsible for developing and monitoring the risk management policies. The Group has an established Risk Management Policy that outlines risk management structure and provides a comprehensive frame work for identification, evaluation, prioritization, treatment of various risks associated with different areas of finance and operations.

The parent company has a centralized Treasury function which is responsible to undertake appropriate measures to mitigate financial risk in accordance with the policies and procedures formulated by the Board. Hedging transactions are undertaken by a team with appropriate skills and experience in consultation with an external expert. The Group does not trade in derivatives for speculation.

ii. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk).

iii. Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar, Euro, Great Britain Pound and Japanese Yen. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

Consolidated Notes to Accounts

(₹ in Lakhs)

The Group has a Board approved currency risk management policy implemented by a Risk Management Committee that reviews the Company's exposure to this risk on a regular basis. The Risk Management Policy recommends hedging upto 50% of the open foreign currency exposure. However the decision to enter into a hedging arrangement is made by the Risk Management Committee based on the relevant data inputs and the advice of the external specialist consultant retained for this purpose.

The Parent Company's export proceeds are realized mostly by remittance into an Export Earners Foreign Currency account (EEFC) which is then utilised for payments to be made in foreign currency, thereby mitigating the currency risk on exports. Imports to the extent of around 7% (10%) of annual foreign exchange outgo are not covered by the Exchange Rate Variation (ERV) clause in the related customer contract and hence are open to currency risk. These imports are benchmarked as per the policy and appropriate decision on covering the risk is taken on a case to case basis. The Company's currency risk policy advocates forward contract hedging for mitigating risk wherever required.

As on 31 March 2020, there are no outstanding forward contracts.

The Group's exposure to foreign currency risk in respect of major currencies is given below :

Particulars	As at 31 March 2020					As at 31 March 2019				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	1,609	175	14	22	136	659	182	23	41	45
Trade Receivable	267	6	-	-	-	52	4	-	-	-
Net Exposure	1,342	169	14	22	136	607	178	23	41	45

iv. Foreign Currency sensitivity

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. The sensitivity to variations in respect of major currencies is given below. This analysis assumes that all other variables remain constant.

	Impact on Profit	
	As at 31 March 2020	As at 31 March 2019
USD – Increase by 5%	5,122	2,127
USD – Decrease by 5%	(5,122)	(2,127)
EURO – Increase by 5%	718	707
EURO – Decrease by 5%	(718)	(707)
GBP – Increase by 5%	65	105
GBP – Decrease by 5%	(65)	(105)
CHF – Increase by 5%	89	146
CHF – Decrease by 5%	(89)	(146)
J Yen – Increase by 5%	5	1
J Yen – Decrease by 5%	(5)	(1)

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

Consolidated Notes to Accounts

(₹ in Lakhs)

vi. Variable Rate Borrowing:

The parent company has been sanctioned a Term loan of ₹ 10,000 on 31.03.2017 (Outstanding as on 31st March 2020 is ₹ 833 (₹ 3,334). Interest payable on this loan is based on SBI's Minimum Commercial Lending Rate - MCLR. (SBI is eligible to reset the interest charged on yearly basis). There would be an additional outflow of cash of ₹ 8 if the interest rate goes up by 1% and saving of ₹ 8 in cashflow if interest rate goes down by 1%. The impact on the statement of profit and loss will not be significant.

In addition the parent company has been sanctioned a working capital limit of ₹ 4,00,000. The sanctioned limit includes fund based limit of ₹ 50,000 and non fund based limit of ₹ 3,50,000. The fund based limit of ₹ 50,000 has not been utilised during the year [Outstanding as on 31 March 2020 is Nil (31 March 2019 is Nil)]. The outstanding balance as on 31.03.2020 with respect to non fund based limit is ₹ 3,14,236 (₹ 1,88,007). The interest is payable based on SBI's 1 year MCLR rate. As the borrowing is nil there is no impact on likely change in interest rates.

In case of subsidiary company [BELOP] has also been sanctioned fund based and non-fund based working capital limits of ₹ 4,600 by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 8.80% p.a. (Axis Bank) and 8.70% p.a. (SBI). The rate of interest charged by SBI and Axis Bank are linked to their base rate which is subject to fluctuations. Outstanding as on 31 March 2020 is Nil in respect of which interest payable is based on SBI and Axis Bank's base rate (as per the terms and conditions, both SBI and Axis Bank are eligible to reset the interest charged on periodic basis).

vii Equity Price Risk

The Group's exposure to equity price risk is negligible as its equity investment (other than in Associate) is negligible.

viii. Liquidity Risk

"Liquidity Risk is the risk that a Group could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fullfil its commitments. The Group's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the Company has access to short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The Group meets its liquidity requirement mainly through internally generated cash flows which is monitored centrally by treasury. There is an established process of rolling cash forecasts from various operating units which form the basis for mapping expected cash inflows, to meet the liabilities".

The table below analyses the Group's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

As at 31 March 2020

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,29,781	11,553	3,679	20	-	-	2,45,033
Current Maturities of Long Term Debts	833	-	-	-	-	-	833
Interest accrued and due on Trade Payables	7	-	-	-	-	-	7
Other Lease Liability	35	31	48	90	89	4	297
Other Financial Liabilities	72,231	1,782	8,913	4,707	44	-	87,677

Consolidated Notes to Accounts

(₹ in Lakhs)

As at 31 March 2019

	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 years	Between 2 & 5 years	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	1,36,715	5,113	1,577	26	-	-	1,43,431
Current Maturities of Long Term Debts	833	834	1,667	-	-	-	3,334
Interest accrued and due on Trade Payables	1	-	2	-	-	-	3
Other Financial Liabilities	90,530	1,651	10,062	3,029	-	-	1,05,272

The Group does not have any outstanding derivatives as on 31 March 2020.

ix. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalent with banks, security deposits and loans.

The credit risk of the Parent Company is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers and other receivables. Significant amount of trade receivables are due from Government/Government Departments, Public Sector Companies (PSUs) consequent to which the Company does not have a credit risk associated with such receivables. In case of non Government trade receivables, sales are generally carried out based on Letter of Credit established by the customer thereby reducing the credit risk.

In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such payments. Impairment losses on financial assets (representing mainly liquidated damages leviable for delayed deliveries and other disallowances) have been made after factoring contractual terms, etc and other indicators.

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of upto 1 year in case of parent company. The Parent Company has a well structured Risk Mitigation Policy whereby there are preset limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The Parent Company has not incurred any losses on account of default from banks on deposits. The credit risk in respect of other financial assets is negligible as they are mostly due from government department / parties.

x. Capital Management

The Group's Capital Management objective is to maintain a strong capital base to provide adequate returns to the shareholders and ensure the ability of the company to continue as a going concern. The Group has a conservative approach for raising capital through debt but reserves the right to leverage this alternative at an appropriate time to fuel growth and maintain optimal capital structure.

The Company has a well defined Dividend Distribution Policy which lays the framework for payments of dividend and retention of surplus for future growth and enhancing shareholders wealth. The parent company has borrowed an amount ₹ 10,000 from Bank for construction of quarters. [Outstanding as on as on 31 March 2020 is ₹ 833 (₹ 3,334)] [Refer Note 18 & 20]. The parent Company has been sanctioned borrowing limits with banks to the tune of ₹ 4,00,000.

Consolidated Notes to Accounts

(₹ in Lakhs)

Gearing Ratio:

Particulars	As at 31 March 2020	As at 31 March 2019
Net Debt	833	3,334
Total Equity	10,07,153	9,21,150
Net Debt to Equity Ratio	0.001:1	0.0036:1

NOTE 35
Assets pledged as security

The carrying amounts of assets pledged as security for Term Loan and Working Capital borrowings are:

	As at 31 March 2020	As at 31 March 2019
(i) Inventories	3,95,830	4,44,335
(ii) Trade Receivables	6,72,402	5,37,367
(iii) Cash & Cash Equivalents	1,62,060	75,965
(iv) Bank Balances [Other than (iii) above]	3,839	14,112
(v) Loans	1,734	1,622
(vi) Other Financial Assets	3,180	3,626
(vii) Other Current Assets	5,95,466	4,64,656
Total current assets pledged as security	**18,34,511**	**15,41,683**

Refer Note 18 & 20 for the details of borrowings.
In case of Subsidiary Company BELOP, the working capital are also secured by first pari passu charge by way of equitable mortgage on Land and Building.

NOTE 36
Critical estimates and judgments [Parent Company]

While preparing the consolidated financial statements, management has made certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and Estimates that have a significant risk of resulting in a material adjustment are as under:

i. **Research and Development Expenditure - Accounting Policy No. 10 - (Refer Note 5 and 12)**
Developmental expenditure incurred with respect to No Cost No Commitment (NCNC) Projects and Joint developmental projects which are not fully compensated by the development partner are carried forward till the completion of project.

ii. **Estimation of defined benefit obligation - Key actuarial assumptions - (Refer Note 21)**

iii. **Estimation of provision for warranty claims - (Refer Note 21)**

Warranty provision computation involves estimation of average warranty cost based on trend based analysis. If the estimations made varies, the same will impact the expense recognised.

iv. **Recognition of Revenue - (Refer Note 23)**

Input methods towards performance obligations over time involves estimation of Stage of completion based on actual costs incurred to the estimated total costs expected to complete the contract. If the estimations made varies, the same will impact the Revenue recognised.

v. **Intangible assets (Refer Note 4 and 5)**

Amount carried forward as other intangible assets and intangible assets under development are tested for impairment annually with respect to certainty of future economic benefits.

vi. **Lease (Refer Note 1)**

The company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of lease requires significant judgements. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

NOTE 37

Uncertainity over Income tax treatment [Parent Company]

The Company have on-going disputes with Income Tax Authorities against demands arising on completion of assessment proceedings under Income Tax Act, 1961. The disputes are on account of disallowances of certain expenses like depreciation claimed on Energy Saving Devices, Provision for Liquidated Damages and Foreign Exchange Loss on capital assets. These matters are pending before the forum of Tax Authorities. The Company has evaluated the above pending disputes and expects that its position will likely be upheld on ultimate resolution and these will not have a material adverse effect on the Company's financial position and results of operations.

NOTE 38

Recent accounting pronouncements

Ministry of Corporate Affairs (MCA) notifies new standard or amendment to the existing standard. There is no such notification which would have been applicable from 1 April, 2020.

SIGNIFICANT ACCOUNTING POLICIES ON IND AS CONSOLIDATED FINANCIAL STATEMENTS

Corporate Information

The accompanying financial statements comprise the financial statements of Bharat Electronics Limited (the Holding Company). The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Bharat Electronics Limited's shares are listed on two recognised stock exchanges in India. The registered office and principal place of Business of the Company is located at Bengaluru, Karnataka, India.

The Company is a public sector enterprise under the administrative control of the Department of Defence Production, Ministry of Defence. Bharat Electronics Limited manufactures and supplies electronic equipment and systems to defence sector. Other than defence sector, the Company has also got a limited presence in the civilian market.

Significant Accounting Policies

1. Basis of Preparation

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP) comprises the mandatory Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability and contingent assets as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account of all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

3. Basis of Measurement

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- The defined benefit asset / liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

4. Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company.

5. Revenue Recognition

A. Revenue from Contract with Customers

i. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised goods or services (i.e., an Asset) to a Customer.

ii. **Satisfaction of performance obligation over time**

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

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual

costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

iii. **Satisfaction of performance obligation at a point in time**

a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.

b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- the company has transferred physical possession of the asset
- the customer has legal title to the asset
- the customer has accepted the asset
- when the company has a present right to payment for the asset
- the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.

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

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

c. Bill and hold Sales

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

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

iv. **Measurement**

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

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

In case of price escalation and ERV where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

b. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

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

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

c. If the standalone selling price is not available the company estimates the stand alone selling price.

v. **Penalties**

Penalties (including levy of liquidated damages for delay in delivery) specified in a contract are not treated as an inherent part of Transaction Price if the levy of same is subject to review by the customer.

vi. **Significant financing component**

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

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

B. Other Income

Recognition of other income is as follows:

i. **Interest Income**

Interest income is recognised using the effective interest rate method.

ii. **Dividend Income**

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

iii. **Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increase in rentals are in line with expected inflation or otherwise justified.

iv. **Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

v. **Other Income**

Other income not specifically stated above is recognised on accrual basis.

6. Property, Plant and Equipment, Capital Work-in-Progress

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and cumulative impairment losses, if any. Cost for this purpose includes all attributable costs for bringing the asset to its location and condition. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

The cost of property, plant and equipment not ready for their intended use as at each balance sheet date is disclosed as capital work-in-progress.

Capital work-in-progress comprises supply-cum-erection contracts, the value of capital supplies received at site and accepted, capital goods in transit and under inspection.

7. Intangible Assets, Intangible Asset under Development

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

Cost of Developmental work which is completed, wherever eligible, is recognised as an Intangible Asset.

Cost of Developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".

Intangible Asset under Development includes amount funded by the company to external agencies towards developmental project(s) and expenditure incurred by the company towards material cost, employee cost and other direct expenditure.

8. Depreciation / Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company, based on technical assessments, depreciates certain items of building, plant and equipment and other asset classes over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Where cost of a part of the asset is significant to total cost of the asset and estimated useful life of that part is different from the estimated useful life of the remaining asset, estimated useful life of that significant part is determined separately and the significant part is depreciated on straight-line basis over its estimated useful life.

The residual values, useful lives and methods of depreciation / amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The residual values, useful lives and amortisation methods, are reviewed at each financial year end and adjusted prospectively, if appropriate.

9. Disposal of Property, Plant and Equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

10. Research and Development Expenditure

(i) Expenditure on Research activity is recognised as an expense in the period when it is incurred.

(ii) Development expenditure (other than on specific development - cum sales contracts and Developmental projects initiated at customer's request), is charged off as expenditure when incurred. Developmental expenditure on development – cum - sale contracts and on Developmental projects initiated at customer's request are treated at par with other sales contracts.

Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected.

Developmental projects are reviewed periodically and the amount carried forward, if any, is charged off in the event of the project being declared closed by the customer / end user without any commitment to place order.

(iii) Expenditure incurred towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

(iv) Expenditure incurred on Developmental projects for participating in No Cost No Commitment (NCNC) trials, based on Request for Quote from customer, are carried

forward till conclusion of the trials and will be amortised over the orders to be received.

In case customer order is immediately not forthcoming:

- the amount is capitalised if further economic benefit is expected from its use, or
- the amount is charged off in the event of the project being closed by the customer / end user without any commitment to place order.

11. Expenditure on Technical Know-How

Expenditure incurred on technical know-how is charged off to Statement of Profit and Loss on incurrence unless it qualifies for recognition as an Intangible Asset either separately on its own or in combination with other assets / expenses.

12. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in determining fair value less costs of disposal.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

14. Leases

(i) Company as a Lessee:

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

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment.

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

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

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

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

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

(ii) Company as a lessor:

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

a) **Finance Lease :**

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

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

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

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

b) **Operating lease:**

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

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

15. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to general borrowings outstanding, other than specific borrowings. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

16. Government Grants

Grants from Government are measured at fair value and initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

The amount lying in Deferred Income on account of Revenue Expenses is transferred to the credit of Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the government grant received.

17. Inventories

All inventories of the Company other than disposable scrap are valued at lower of cost or net realisable value. Disposable scrap is valued at estimated net realisable value. Cost of materials is ascertained by using the weighted average cost formula.

Cost of Work - in - progress and finished goods include Materials, Direct Labour and appropriate overheads.

Adequate provision is made for inventory which are more than five years old which may not be required for further use.

18. Income Taxes

Income tax comprises of current and deferred tax.

(i) **Current Income Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

(ii) **Deferred Tax**

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

19. Provision for Warranties

Provision for expenditure on account of performance guarantee & replacement / repair of goods sold is made on the basis of trend based estimates.

20. Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

21. Employee Benefits

(i) All employee benefits payable wholly within twelve months of rendering the related services are classified as short term employee benefits and they mainly include (a) Wages & Salaries; (b) Short-term compensated absences; (c) Profit-sharing, incentives and bonuses and (d) Non-monetary benefits such as medical care, subsidised transport, canteen facilities etc., which are valued on undiscounted basis and recognised during the period in which the related services are rendered.

(ii) Incremental liability for payment of long term compensated absences such as Annual Leave, Sick Leave and Half Pay Leave is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit method and the carrying value of the provision contained in the balance sheet and provided for.

(iii) Incremental liability for payment of Gratuity and Employee Provident fund to employees is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit Method and the Fair Value of Plan Assets funded in an approved trust set up for the purpose for which monthly contributions are made in the case of provident fund and lump sum contributions in the case of gratuity.

(iv) Incremental liability under BEL Retired Employees Contributory Health Scheme (BERECHS) is determined annually on actuarial basis using Projected Unit Credit Method and provided for.

(v) Actuarial liability for the year is determined with reference to employees at the end of January of each year.

(vi) Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if

any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (asset) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit and loss.

(vii) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

(viii) Defined Contribution Plan

The Company operates employee pension scheme and superannuation pension scheme for its employees that are categorised as a defined contribution plans. For defined contribution plans, the Company pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

22. Provisions

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

B. Contingent Liabilities / Assets

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

23. Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7 - Statement of Cash Flows.

24. Fair value Measurement

The Company measures certain financial instruments, such as derivatives and other items in it's financial statements at fair value at each reporting date.

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

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

25. Financial Assets

(i) **Initial Recognition and Measurement**

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

(ii) **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments measured at amortised cost,
- Debt instruments measured at fair value through other comprehensive income (FVTOCI),
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL),
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(iii) **Derecognition**

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset have expired.

(iv) **Trade and Other Receivables**

Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

26. Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

27. Embedded Derivative

The embedded derivative, if required, is separated from host contract and measured at fair value.

28. Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are classified as borrowings under current liabilities in the balance sheet.

29. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

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

b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

c. Dues outstanding for significant period of time are reviewed and provision is made on a case to case basis.

Impairment loss allowance (or reversal) is recognised as expense / income in the statement of profit and loss.

30. Financial Liabilities

(i) **Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable to them.

(ii) **Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilitiesat fair value through Profit or Loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined in Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

(iii) **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Gains and losses are recognised as profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(iv) **Trade and Other Payables**

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

31. Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

32. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

33. Cash Dividend and Non-Cash distribution to Equity Holders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

34. Errors and Estimates

The Company revises it's accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

Discovery of material errors results in revisions retrospectively by restating the comparative amounts of

assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

35. Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

36. Events after the Reporting Period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

37. Principles of Consolidation

The financial statements of the Holding Company together with the audited financial statements of its subsidiary companies and step down subsidiary company have been combined on a line-by-line basis by adding together all the items of assets, liabilities, income and expenses after eliminating all the intra group balances and transactions. Interest in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and Other Comprehensive Income of equity accounted investees until the date on which significant influence ceases.

The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Holding Company and its share in the post - acquisition increase in the relevant increase of the subsidiary companies and step down subsidiary company.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's financial statements.

The excess of cost to the company of its investments in subsidiary companies and step down subsidiary company over its share of the equity of the subsidiary companies and step down subsidiary company at the date on which the investments are made, is recognized as "Goodwill on consolidation" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies and step down subsidiary company as on the date of the investment is in excess of cost of investment of the Holding Company, it is recognized as "Capital reserve" and shown under the head "Reserves and surplus", in the consolidated financial statements.

As per our report of even date attached.

For **Suri & Co.,**
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

29 June 2020
Bengaluru

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

(₹ in Lakhs)

Form AOC-1

Part "A": Subsidiaries

Sl. No.	Particulars		
1	Name of the subsidiary	BEL Optronic Devices Limited	BEL Thales Systems Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
4	Share capital	8,386	5,762
5	Reserves & surplus	15,142	(312)
6	Total Assets	41,112	11,701
7	Total Liabilities	17,584	6,251
8	Investments	-	-
9	Turnover	3,721	4,056
10	Profit before taxation	215	464
11	Provision for taxation	(86)	130
12	Profit after taxation	301	334
13	Proposed Dividend	91	-
14	% of shareholding	100%	74%

1	Names of subsidiaries which are yet to commence operations	NIL	NIL
2	Names of subsidiaries which have been liquidated or sold during the year.	NIL	NIL

(₹ in Lakhs)

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	GE BE Private Limited	Defence Innovation Organisation
1	Latest audited Balance Sheet Date	31 March 2020	31 March 2020
2	Shares of Associate held by the company on the year end		
	No.	26,00,000	50
	Amount of Investment in Associate	260	1
	Extend of Holding %	26%	50%
3	Description of how there is significant influence	Voting Rights	Voting Rights
4	Reason why the Associate is not consolidated	Not applicable	*
5	Networth attributable to Shareholding as per latest audited Balance Sheet	16,216	-
6	Profit / Loss for the year		
	i. Considered in Consolidation	3,216	-
	ii. Not Considered in Consolidation	-	-

* Do not exercise any control and also do not have any right on variable returns other than equity investment.

1	Names of Associate which are yet to commence operations.	NIL	NIL
2	Names of Associate which have been liquidated during the year.	NIL	NIL

For **Suri & Co.,**
Chartered Accountants
Firm Regn No. 004283S

Natarajan V
Partner
Membership No. 223118

Bengaluru
29 June 2020

M V Gowtama
Chairman & Managing Director

Koshy Alexander
Director (Finance) & CFO

S Sreenivas
Company Secretary

NOTES

Showcasing Innovation

















भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS

QUALITY. TECHNOLOGY. INNOVATION

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under the Ministry of Defence)
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