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

प्रतिष्ठा में / 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: 03.09.2021

महोदय / महोदया,
Dear Sir/Madam,

विषय: 67 वीं वार्षिक आम बैठक की सूचना और वार्षिक रिपोर्ट 2020-21 ।
Sub: Notice of 67th Annual General Meeting and Annual Report 2020-21.

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.) मंगलवार, 28 सितंबर, 2021 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 Tuesday, 28th September, 2021 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 67 वीं वार्षिक आम बैठक की सूचना और वित्तीय वर्ष 2020-21 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 67th Annual General meeting and Annual Report for the financial year 2020-21 (Which includes Business Responsibility Report & Sustainability Report).

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

सधन्यवाद / Thanking you,

भवदीयYours 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 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

एतद्वारा सूचना दी जाती है कि भारत इलेक्ट्रॉनिक्स लिमिटेड के सदस्यों की 67वीं वार्षिक सामान्य बैठक (एजीएम) मंगलवार, दिनांक 28 सितंबर, 2021 को सुबह 10 बजे (आईएसटी) वीडियो कॉनफ्रेंसिंग ("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 2021 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित वित्तीय विवरण और उन पर निदेशक मंडल और लेखा परीक्षकों की रिपोर्ट; और

   ख) 31 मार्च 2021 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित समेकित वित्तीय विवरण और उन पर लेखा परीक्षकों की रिपोर्ट ।

2. वित्तीय वर्ष 2020-21 के लिए ₹ 2.80 (280%) प्रति इक्विटी शेयर के अंतरिम लाभांश के भुगतान को संपुष्ट करना और ₹ 1 प्रत्येक पूर्ण चुकता शेयर पर ₹ 1.20 (120%) प्रति इक्विटी शेयर का अंतिम लाभांश घोषित करना ।

3. **श्री विनय कुमार कत्याल** (डीआईएन-08281078) जो चक्रानुक्रम से सेवानिवृत्त होते हैं और पात्र होने पर स्वयं को पुन:नियुक्ति के लिए प्रस्तुत करते हैं, के स्थान पर निदेशक की नियुक्ति करना ।

विशेष कारोबार –

4. **श्री अनुराग बाजपेई (डीआईएन-08948155) 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 67th Annual General Meeting (the AGM) of the Members of Bharat Electronics Limited will be held on Tuesday, 28 September 2021, at 10:00 (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 2021 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 2021 and the reports of Auditors thereon.

2. To confirm the payment of interim dividend of ₹ 2.80 (280%) per equity share and to declare final dividend of ₹ 1.20 (120%) per equity share of ₹ 1 each fully paid up for the financial year 2020-21.

3. To appoint a Director in place of **Mr Vinay Kumar Katyal** (DIN: 08281078), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Mr Anurag Bajpai (DIN: 08948155) 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 नहीं, अधिनियमन सहित) के तारतम्य में, श्री अनुराग बाजपेई (डीआईएन-08948155), जिन्हें भारत सरकार, रक्षा मंत्रालय के पत्र सं. 19/(1)/2010/डी(बीईएल) दिनांक 29 अक्तूबर 2020 द्वारा अंशकालिक सरकारी निदेशक 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 29 अक्तूबर 2020 से अपर निदेशक के रूप में नियुक्त किया गया और जिनके संबंध में कंपनी ने कंपनी अधिनियम, 2013 की धारा 160 (1) के तहत एक सदस्य से कंपनी के निदेशक पद के अभ्यर्थी के रूप में श्री अनुराग बाजपेई (डीआईएन-08948155) का प्रस्ताव रखने का अपना आशय व्यक्त करते हुए लिखित में एक सूचना प्राप्त की है, को भारत सरकार द्वारा यथा निर्दिष्ट निबंधन व शर्तों पर कंपनी के निदेशक के पद पर नियुक्त किया जाए और एतद्वारा नियुक्त किया जाता है जो चक्रानुक्रम से सेवानिवृत्त नहीं होंगे।"

5. **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:अधिनियमन सहित), के तारतम्य में, 31 मार्च 2022 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, बेंगलूरु (एलएलपिन- एएबी-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 एतद्वारा प्रदान की जाती है ।"

मंडल के आदेशानुसार
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड

बेंगलूरु
1 सितंबर 2021

एस श्रीनिवास
कंपनी सचिव

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anurag Bajpai (DIN: 08948155), who was appointed as Part Time Official Director by the Govt. of India, Ministry of Defence vide letter no. 19/(1)/2010/D(BEL) dated 29 October 2020 and subsequently appointed as an Additional Director w.e.f 29 October 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 his intention to propose Mr. Anurag Bajpai (DIN: 08948155) as a candidate for the 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."

5. **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 relevant Rules made 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 & 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 2022."

By order of the Board
For Bharat Electronics Limited

Bengaluru
1st September 2021

S Sreenivas
Company Secretary

नोट

1. कोविड–19 की मौजूदा महामारी को ध्यान में रखते हुए, कार्पोरेट कार्य मंत्रालय ("एमसीए") ने अपने सामान्य परिपत्र सं. 20/2020 दिनांक 05 मई 2020, जिसे सामान्य परिपत्र सं. 14/2020 दिनांक 8 अप्रैल 2020, 17/2020 दिनांक 13 अप्रैल 2020 और 02/2021 दिनांक 13 जनवरी, 2021 और भारतीय प्रतिभूति एवं एक्सचेंज बोर्ड ('सेबी') के परिपत्र सं. सेबी/एचओ/सीएफडी/सीएमडी1/सीआईआर/पी/2020/79 दिनांक 12 मई, 2020 और परिपत्र सं. सेबी/एचओ/सीएफडी/सीएमडी2/सीआईआर/पी/2021/11 दिनांक 15 जनवरी 2021 (जिन्हें यहाँ इसके बाद संयुक्त रूप से "परिपत्र" कहा गया है) के साथ पढ़ा जाना है, द्वारा वीडियो कॉनफ्रेंसिंग (वीसी) या अन्य श्रव्य–दृश्य माध्यम (ओएवीएम) से किसी सामान्य स्थल पर सदस्यों की वास्तविक उपस्थिति के बिना सामान्य वार्षिक बैठक ("एजीएम") आयोजित करने की अनुमति दी गई है। कंपनी अधिनियम, 2013 ("अधिनियम"), सेबी (सूचीकरण की बाध्यताएं एवं प्रकटण की अपेक्षाएं) विनियम, 2015 ("सूचीकरण विनियम") और परिपत्रों में दिए गए प्रावधानों के अनुपालन में, कंपनी की एजीएम वीसी / ओएवीएम के माध्यम से आयोजित की जा रही है । एजीएम का स्थान कंपनी का पंजीकृत कार्यालय, आउटर रिंग रोड, नागवारा, बेंगलूरु – 560045 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 रिमोट 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।

NOTE

1. **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5 May 2020, read with General Circulars No. 14/2020 dated 8 April 2020, 17/2020 dated 13 April 2020 & 02/2021 dated 13 January 2021 and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 & circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 (hereinafter collectively referred to as "the 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 ("Listing Regulations") and the 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, Outer Ring Road, Nagavara, Bengaluru - 560045.**

2. Since this AGM is being held through VC / OAVM pursuant to the 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. 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 (एसएस-2) पर सचिवीय मानक के खंड 1.2.5 के तहत यथा अपेक्षित, एजीएम में नियुक्ति या पुन:नियुक्ति चाहने वाले निदेशकों के विवरण भी संलग्न हैं जो इस बैठक की सूचना का भाग बनते हैं।

6. इन परिपत्रों के अनुपालन में, वार्षिक रिपोर्ट 2020-21 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 2020-21 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 । एजीएम/ईजीएम की सूचना सीडीएसएल (एजीएम/ईजीएम के दौरान रिमोट ई-मतदान सुविधा और ई-मतदान प्रणाली प्रदान करने वाली एजेंसी) की वेबसाइट www.evotingindia.com पर भी उपलब्ध कराई गई है।

   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 2020-21 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 / अद्यतन कर लें। वैकल्पिक रूप से, सदस्य एजीएम की सूचना और वार्षिक रिपोर्ट 2020-21 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 बहियां 31 मार्च, 2021 को समाप्त वित्तीय वर्ष के लाभांश, यदि एजीएम में घोषित हो, का भुगतान करने के लिए सदस्यों की हकदारिता तय करने के प्रयोजनार्थ **गुरुवार, 16 सितंबर, 2021 से लेकर रविवार, 19 सितंबर, 2021** (दोनों दिनों को मिलाकर) बंद रखी जाएगी।

8. निदेशक मंडल ने ₹ 1 के पूर्ण चुकता शेयर पर ₹ 2.80 (280%) प्रति इक्विटी शेयर के अंतरिम लाभांश की घोषणा की है जिसे वित्तीय वर्ष 2020-21 के दौरान अदा किया गया । जिन सदस्यों ने अपने

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 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 Circulars, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 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. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) at www.evotingindia.com.

   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 2020-21 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 2020-21, and the e-voting instructions.

7. The Company's Register of Members and Share Transfer Books will remain be closed from **Thursday, 16 September, 2021 to Sunday, 19 September, 2021** (both days inclusive) for the purpose of determining entitlement of Members for the payment of dividend for the financial year ended 31 March 2021, if declared at the AGM.

8. The Board of Directors has declared an interim dividend of ₹ 2.80 (280%) per equity share of ₹ 1/- each fully paid-up which was paid for the financial year 2020-21.

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 दिनांक 22 जून, 2021 को हुई अपनी बैठक में कंपनी के प्रति ₹ 1 प्रत्येक पूर्ण चुकता इक्विटी शेयर पर ₹ 1.20/- (120%) के अंतिम लाभांश की सिफारिश की है । वर्ष 2020-21 का अंतिम लाभांश, यदि एजीएम में घोषित हो, घोषणा की तारीख से 30 दिनों के भीतर ऐसे सदस्यों को देय होगा जिनके नाम **15 सितंबर 2021** 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 **15 सितंबर 2021** को कारोबारी घंटों की समाप्ति पर हितलाभी स्वामियों के रूप में दर्शित होंगे ।

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 22 June 2021, has recommended a final dividend of ₹ 1.20 (120%) per equity share of ₹ 1/- each fully paid. The Final Dividend for the year 2020-21, 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 **15 September, 2021** 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 **15 September, 2021** as per the details furnished by the depositories.

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।

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 out 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. 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।

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. 'हरित पहल' का समर्थन करने के लिए, जिन सदस्यों ने अब तक अपने ईमेल एड्रेस को दर्ज नहीं कराया है, उनसे अनुरोध है कि वे उसे 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

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

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 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, यदि शेयर वास्तविक रूप में धारित किए हों, को दें।

12. सदस्यों से यह नोट करने का अनुरोध किया जाता है कि यदि लाभांश का नकदीकरण कंपनी के अदत्त लाभांश खाते को अंतरित करने की तारीख से निरंतर 7 वर्षों की अवधि तक नहीं किया जाता है तो ऐसे लाभांश निवेशक शिक्षा व सुरक्षा निधि ('आईईपीएफ') को अंतरित किए जाएँगे। ऐसे दावा न किए गए लाभांश से संबंधित शेयरों को भी आईईपीएफ प्राधिकरण के डीमैट खाते को अंतरित किया जाएगा। इसे ध्यान में रखते हुए, सदस्यों से अनुरोध किया जाता है कि वे निर्दिष्ट समय-सीमा के भीतर कंपनी से अपने लाभांश का दावा करें। जिन सदस्यों के दावा न किए गए लाभांश / शेयर आईईपीएफ को अंतरित किया गया है, www.iepf.gov.in पर उपलब्ध फार्म सं. आईईपीएफ-5 में आईईपीएफ प्राधिकरण को आवेदन करते हुए उसका दावा कर सकते हैं।

    वर्ष 2013-14 का दावा न किया गया / अदत्त अंतिम लाभांश तथा वर्ष 2014-15 का अंतरिम लाभांश वर्ष 2021-22 के दौरान आईईपीएफ को अंतरित किया जाना है । कंपनी ने यथा 31 मार्च, 2021 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 । अंतरित शेयरों के विवरण कंपनी की वेबसाइट www.bel-india.in में अपलोड किए गए हैं। 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।

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 कार्यवाही नहीं की जाएगी जब तक प्रतिभूतियों के पारेषण या अंतरण के मामलों को छोड़कर 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 है कि वे वित्त अधिनियम, 2020 और उसके संशोधन देखें । कंपनी को उचित टीडीएस तय

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 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. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

    The unclaimed/ unpaid final dividend for the year 2013-14 and interim dividend for the year 2014-15 are due for transfer to IEPF during 2021-22. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March 2021 on the website of the Company www.bel-india.in. Details of shares transferred have been uploaded 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.

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 shareholders at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to

करने / कर दर लागू करना रोक रखने में सक्षम बनाने हेतु, सदस्यों से अनुरोध है कि वे **30 सितंबर, 2021** 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 खातों 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 67वीं एजीएम के लिए वीडियो कांफ्रेंसिंग 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 विवरण का उपयोग करते हुए https://www.evotingindia.com की ई-मतदान 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. बैठक में शामिल होने की प्रक्रिया रिमोट ई-मतदान के लिए नीचे उल्लिखित अनुदेशों की ही तरह है।

    ख. बैठक में शामिल होने के लिए वीसी / ओएवीएम का लिंक उपलब्ध कराया जाएगा जिसमें रिमोट ई-मतदान के लिए नीचे उल्लिखित अनुदेशों के अनुसार सफलतापूर्वक लॉगिन करने के बाद कंपनी का ईवीएसएन प्रदर्शित होगा।

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 **30 September, 2021**. 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 No. 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 67th 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. The procedure for attending meeting is same as the instructions mentioned below for remote e-voting.

    b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned below for remote e-voting.

ग. शेयरधारकों से अनुरोध किया जाता है कि वे बेहतर अनुभव के लिए लैपटॉप / आईपैड से बैठक में शामिल हों। इसके अलावा, शेयरधारकों को अपने लैपटॉप / आईपैड के कैमेरा चालू रखना होगा और बैठक के दौरान किसी प्रकार के व्यवधान से बचने के लिए अच्छी स्पीड का इंटरनेट उपयोग करना होगा।

घ. कृपया नोट करें कि मोबाइल डिवाइस या टैबलेट से या मोबाइल हॉटस्पॉट के ज़रिए लैपटॉप से 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।

ङ. सदस्य इस सूचना में बताई गई प्रक्रिया का पालन करते हुए एजीएम शुरु होने के निर्धारित समय से 30 मिनट पहले और एजीएम के दौरान वीसी/ओएवीएम द्वारा एजीएम में शामिल हो सकते हैं।

च. वीसी / ओएवीएम द्वारा एजीएम में भाग लेने की सुविधा पहले आओ – पहले पाओ के आधार पर कम से कम 1000 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 के आधार पर प्रवेश में कोई प्रतिबंध नहीं होगा।

छ. जो सदस्य एजीएम के दौरान अपने विचार रखना चाहते हैं या प्रश्न पूछना चाहते हैं वे **17 सितंबर, 2021 (सुबह 9.00 बजे आई.एस.टी.) से 24 सितंबर, 2021 (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।

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

c. 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.

d. 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.

e. The Members can join the AGM through VC/OAVM 30 minutes before the scheduled time of commencement of the AGM and during the AGM by following the procedure mentioned in the Notice.

f. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 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(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

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 **17 September, 2021 (09:00 a.m IST) to 24 September, 2021 (05:00 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. 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

कारोबार के संबंध में अपने सदस्यों को रिमोट ई-मतदान की सुविधा प्रदान कर रही है। इस प्रयोजनार्थ, कंपनी ने इलेक्ट्रॉनिक माध्यम से मतदान सुकर बनाने के लिए, अधिकृत रिमोट ई-मतदान एजेंसी के रूप में, सेंट्रल डिपोज़िटरी सर्विसेस (इंडिया) लिमिटेड (सीडीएसएल) के साथ एक करार किया है। रिमोट ई-मतदान का उपयोग करने वाले सदस्यों द्वारा मताधिकार का प्रयोग करने तथा एजीएम में ई-मतदान की सुविधा सीडीएसएल द्वारा प्रदान की जाएगी। रिमोट ई-मतदान के अनुदेश नीचे दिए गए हैं –

रिमोट ई-मतदान के लिए सदस्यों के लिए अनुदेश –

(i) रिमोट ई-मतदान की अवधि **शुक्रवार, 24 सितंबर 2021 को सुबह 9 बजे आईएसटी** से शुरु होगी और **सोमवार, 27 सितंबर 2021 को शाम 5.00 बजे आईएसटी** को समाप्त होगी। इस अवधि के दौरान, कंपनी के सदस्य जो **21 सितंबर, 2021** 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-मतदान मॉड्यूल उसके बाद सीडीएसएल द्वारा निष्क्रिय कर दिया जाएगा।

(ii) जिन सदस्यों ने बैठक की तारीख से पहले ही मतदान किया है, वे एजीएम में मतदान करने के हकदार नहीं होंगे।

(iii) सूचीबद्ध कंपनियों द्वारा प्रदान की गई ई-मतदान सुविधा के बारे में सेबी के परिपत्र सं. सेबी/एचओ/सीएफडी/सीएमडी/सीआईआर/पी/2020/242 दिनांक 9 दिसंबर, 2020 ("सेबी परिपत्र") के परिप्रेक्ष्य में, डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारकों को डिपोज़िटरी तथा डिपोज़िटरी प्रतिभागियों के पास रखे गए उनके डीमैट खाते द्वारा मतदान करने की अनुमति होगी। शेयरधारकों को सलाह दी जाती है कि वे ई-मतदान सुविधा प्राप्त करने के लिए अपने डीमैट खातों में अपना मोबाइल नंबर और ईमेल आईडी अद्यतन कर लें।

क) डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारकों के लिए ई-मतदान और एजीएम में शामिल होने की लॉगिन विधि नीचे दी गई है –

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सीडीएसएल में डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारक	1) जिन प्रयोक्ताओं ने सीडीएसएल की ईज़ी / ईज़िएस्ट सुविधा का विकल्प लिया है, वे अपने मौजूदा यूज़र आईडी और पासवर्ड द्वारा लॉगिन कर सकते हैं। इसका विकल्प बिना किसी अतिरिक्त प्रमाणीकरण के ई-मतदान पेज पर पहुंचने के लिए उपलब्ध होगा। ईज़ी / ईज़िएस्ट में लॉगिन करने के लिए यूज़र का यूआरएल https://web.cdslindia.com/myeasi/home/login है या वे www.cdslindia.com में जाकर लॉगिन आइकन पर क्लिक कर न्यू सिस्टम माईईज़ी चुन सकते हैं।

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 agency. The facility of casting votes by Members using remote e-voting as well as the e-voting system on the date of 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 **Friday, the 24 September 2021 at 09:00 a.m IST** and ends on **Monday, the 27 September, 2021 at 05:00 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 **21 September, 2021** 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) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 ("SEBI Circular") on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

A. Login method for e-Voting and joining the AGM for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

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	2) ईज़ी / ईज़िएस्ट में सफलतापूर्वक लॉगिन करने के बाद, यूज़र पात्र कंपनियों के लिए ई-मतदान का विकल्प देख सकेंगे जहां कंपनी द्वारा दी गई सूचना के अनुसार ई-मतदान प्रगति में होगा। ई-मतदान विकल्प पर क्लिक करने पर, यूज़र रिमोट ई-मतदान के दौरान अपने मताधिकार का प्रयोग करने के लिए ई-मतदान सेवा प्रदाता का ई-मतदान पेज देख सकते हैं या बैठक के दौरान वर्चुअल बैठक और मतदान में शामिल हो सकते हैं। तदनुसार, ई-मतदान के सभी सेवा प्रदाताओं जैसे सीडीएसएल/एनएसडीएल/कार्वी/ लिंकिनटाइम के सिस्टम में एक्सेस प्राप्त करने के लिंक भी दिए गए हैं ताकि यूज़र ई-मतदान सेवा प्रदान करने वाली वेबसाइट में सीधे जा सकें। 3) यदि यूज़र ईज़ी / ईज़िएस्ट विकल्प में पंजीकृत नहीं हैं तो पंजीकरण करने का विकल्प https://web.cdslindia.com/myeasi/Registration/EasiRegistration में उपलब्ध है। 4) वैकल्पिक रूप से, यूज़र www.cdslindia.com के होम पेज में उपलब्ध ई-मतदान लिंक से या https://evoting.cdslindia.com/Evoting/EvotingLogin पर क्लिक करते हुए डीमैट खाता नंबर और पैन नंबर प्रदान करते हुए ई-मतदान पेज में सीधे जा सकते हैं। सिस्टम डीमैट खाते में दर्ज पंजीकृत मोबाइल और ईमेल पर ओ. टी.पी. भेजते हुए यूज़र का प्रमाणीकरण करेगा। प्रमाणीकरण सफल होने पर यूज़र ई-मतदान का विकल्प देख सकेंगे जहां ई-मतदान प्रगति में है और साथ ही ई-मतदान सेवा के सभी प्रदाताओं के सिस्टम में सीधे एक्सेस प्राप्त कर सकेंगे।
एनएसडीएल में डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारक	1) यदि आप एनएसडीएल की आइडियास सुविधा में पहले से पंजीकृत हैं तो एनएसडीएल की ई-सर्विस वेबसाइट में जाएं। पर्सनल कंप्यूटर पर या मोबाइल पर यू.आर.एल. https://eservices.nsdl.com टाइप कर वेब ब्राउज़र खोलें। ई-सर्विसेस का होम पेज लांच होने के बाद, 'IDeAS' खंड के तहत उपलब्ध "Login" में "Beneficial Owner" आइकन पर क्लिक करें। एक नया स्क्रीन खुलेगा। आपको यहां अपना यूज़र आईडी और पासवर्ड दर्ज करना होगा। प्रमाणीकरण सफल होने

Type of Shareholders	Login Method
	2) After successful login to the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open.

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	पर आप ई-मतदान सेवाएं देख सकते हैं। ई-मतदान सेवा के तहत "Access to e-Voting" पर क्लिक करें, आप ई-मतदान पेज देख सकेंगे। कंपनी के नाम पर या ई-मतदान सेवा प्रदाता के नाम पर क्लिक करें, आपको रिमोट ई-मतदान अवधि के दौरान अपने मताधिकार का प्रयोग करने या वर्चुअल बैठक में शामिल होने अथवा बैठक के दौरान मतदान करने के लिए ई-मतदान सेवा प्रदाता को निर्देशित किया जाएगा। 2) यदि यूज़र आइडियास ई-सेवा में पंजीकृत नहीं है तो https://eservices.nsdl.com पर पंजीकरण करने का विकल्प उपलब्ध है। "Register Online for IDeAS" पोर्टल चुनें या https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp पर क्लिक करें। 3) एनएसडीएल की ई-मतदान वेबसाइट देखें। पर्सनल कंप्यूटर पर या मोबाइल पर यू.आर.एल. https://www.evoting.nsdl.com/ टाइप कर वेब ब्राउज़र खोलें। सर्विसेस का होम पेज लांच होने के बाद, 'Shareholder/Member' में उपलब्ध "Login" आइकन पर क्लिक करें। एक नया स्क्रीन खुलेगा। आपको स्क्रीन पर दिखाए गए अनुसार अपना यूज़र आईडी (यानी एनएसडीएल में आपका सोलह डिज़िट का डीमैट खाता नंबर), पासवर्ड/ओटीपी और सत्यापन कोड दर्ज करना होगा। प्रमाणीकरण सफल होने पर आपको एनएसडीएल डिपाज़िटरी की साइट पर निर्देशित किया जाएगा जहां आप ई-मतदान पेज देख सकते हैं। कंपनी के नाम पर या ई-मतदान सेवा प्रदाता के नाम पर क्लिक करें, आपको रिमोट ई-मतदान अवधि के दौरान अपने मताधिकार का प्रयोग करने या वर्चुअल बैठक में शामिल होने अथवा बैठक के दौरान मतदान करने के लिए ई-मतदान सेवा प्रदाता को निर्देशित किया जाएगा।

Type of Shareholders	Login Method
	You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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अपने **डिपाज़िटरी प्रतिभागी** द्वारा लॉगिन करने वाले शेयरधारक (जो डीमैट माध्यम में प्रतिभूतियां धारित करते हैं)	आप ई-मतदान सुविधा के लिए एनएसडीएल / सीडीएसएल में पंजीकृत अपने डिपाज़िटरी प्रतिभागी द्वारा अपने डीमैट खाते के लॉगिन विवरण का उपयोग करते हुए भी लॉगिन कर सकते हैं। लॉगिन सफल होने पर, आप ई-मतदान का विकल्प देख सकेंगे। ई-मतदान के विकल्प पर क्लिक करने पर आपको प्रमाणीकरण सफल होने के बाद एनएसडीएल / सीडीएसएल डिपाज़िटरी की साइट को निर्देशित किया जाएगा जहां आप ई-मतदान देख सकते हैं। कंपनी के नाम पर या ई-मतदान सेवा प्रदाता के नाम पर क्लिक करें, आपको रिमोट ई-मतदान अवधि के दौरान अपने मताधिकार का प्रयोग करने या वर्चुअल बैठक में शामिल होने अथवा बैठक के दौरान मतदान करने के लिए ई-मतदान सेवा प्रदाता को निर्देशित किया जाएगा।

महत्वपूर्ण नोट – सदस्य जो यूज़र आईडी / पासवर्ड दोबारा प्राप्त नहीं कर पा रहे हैं उन्हें सलाह दी जाती है कि वे ऊपर उल्लिखित वेबसाइट में उपलब्ध Forget User ID और Forget Password विकल्प का उपयोग करें।

ख) वास्तविक शेयरधारकों तथा ऐसे व्यक्तियों को छोड़कर शेयरधारक जो डीमैट के रूप में धारित करते हैं, के लिए ई-मतदान और एजीएम में शामिल होने के लिए लॉगिन करने की विधि।

i) शेयरधारकों को ई-मतदान की वेबसाइट www.evotingindia.com पर लॉग ऑन करना होगा।

ii) शेयरधारक मॉड्यूल में क्लिक करें।

iii) 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 शेयरधारकों को कंपनी के पास दर्ज फोलियो नंबर दर्ज करना होगा।

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

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

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

B. Login method for e-Voting and joining the AGM for Physical shareholders and shareholders other than individual holding in Demat form.

i) The shareholders should log on to the e-voting website www.evotingindia.com.

ii) Click on "Shareholders" module.

iii) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

v) 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.

vi) यदि आप पहली बार इसका उपयोग कर रहे हैं तो नीचे दिए गए चरणों का पालन करें –

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 कंपनी / आरटीए द्वारा भेजी गई अनुक्रम संख्या का उपयोग करें या कंपनी / आरटीए से संपर्क करें ।
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 लाभांश बैंक विवरण के स्थान पर सदस्य आईडी / फोलियो नंबर दर्ज करें।

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

viii) शेयरों को वास्तविक रूप में धारित करने वाले शेयरधारकों को इसके बाद कंपनी का चयन स्क्रीन दिखेगा। बहरहाल, डीमैट रूप में शेयरों को धारित करने वाले शेयरधारकों 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 मतदान करने के पात्र हैं, के संकल्पों हेतु मतदान करने के लिए डीमैट धारकों द्वारा भी किया जाएगा बशर्ते कि कंपनी सीडीएसएल प्लेटफार्म द्वारा ई–मतदान का विकल्प लेती हो। इस बात की सख्त हिदायत दी जाती है कि आप अपना पासवर्ड किसी अन्य व्यक्ति के साथ साझा न करें और अपने पासवर्ड के संबंध में पूरी गोपनीयता बरतें।

ix) शेयरों को वास्तविक रूप में धारित करने वाले शेयरधारकों के लिए, इस विवरणों का उपयोग इस सूचना में शामिल संकल्पों पर ई–मतदान के लिए ही किया जा सकता है।

x) भारत इलेक्ट्रॉनिक्स लिमिटेड के लिए ईवीएसएन पर क्लिक करें – 210827072 जिस पर आप मतदान करना चाहते हैं ।

xi) मतदान पृष्ठ पर, आपको "RESOLUTION DESCRIPTION" दिखाई देगा और उसी विकल्प के सामने मतदान 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 ।

vi) If you are a first-time user follow the steps given below:

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 sent by Company/RTA or contact Company/RTA.
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.

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

viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 to be also 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 and take utmost care to keep your password confidential.

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

x) Click on the EVSN for Bharat Electronics Limited: 210827072 on which you choose to vote.

xi) 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.

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

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

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

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

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

ग) <u>गैर–व्यक्तिगत शेयरधारकों और संरक्षकों के लिए अतिरिक्त सुविधा –केवल रिमोट मतदान के लिए ।</u>

- 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 ।
- 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 मतदान 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 मतदान 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 ।

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

xiii) 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.

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

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

xvi) 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.

C. <u>Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only</u>.

- 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.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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.

घ) एजीएम के दौरान ई-मतदान करने वाले सदस्यों के लिए अनुदेश-

क) एजीएम के दिन ई-मतदान की प्रक्रिया रिमोट ई-मतदान 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 रिमोट ई-मतदान 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 रिमोट ई-मतदान के माध्यम से मतदान करने के लिए पात्र होंगे। हालांकि, रिमोट ई-मतदान के माध्यम से मतदान करने वाले सदस्य एजीएम में भाग लेने के लिए पात्र होंगे ।

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

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

ङ) सीडीएसएल और एनएसडीएल जैसे डिपोज़िटरी के माध्यम से लॉगिन करने संबंधी किसी तकनीकी मामलों के लिए डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारकों के लिए हेल्पडेस्क का विवरण

लॉगिन का प्रकार	हेल्पडेस्क के विवरण
सीडीएसएल में डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारक	जिन सदस्यों को लॉगिन में किसी प्रकार की तकनीकी समस्या का सामना करना पड़ रहा है वे helpdesk.evoting@cdslindia.com में अनुरोध भेजते हुए सीडीएसएल के हेल्पडेस्क से संपर्क कर सकते हैं या 022- 23058738 और 22-23058542-43 पर संपर्क कर सकते हैं।
एनएसडीएल में डीमैट माध्यम में प्रतिभूतियां धारित करने वाले शेयरधारक	जिन सदस्यों को लॉगिन में किसी प्रकार की तकनीकी समस्या का सामना करना पड़ रहा है वे evoting@nsdl.co.in में अनुरोध भेजते हुए एनएसडीएल के हेल्पडेस्क से संपर्क कर सकते हैं या टॉल फ्री नंबर 1800 1020 990 और 1800 22 44 30 पर संपर्क कर सकते हैं।

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

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

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 मतदान करने के हकदार होंगे ।

21. कंपनी के निदेशक मंडल ने ई-मतदान 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 मतदान पूरा होने के तुरंत बाद, एजीएम में किए गए मतदान की गणना करेंगे और तदुपरांत रिमोट ई-मतदान के माध्यम से किए गए मतदान 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 मतदान 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 28 सितंबर 2021 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 की जाएगी, 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. 28 September 2021. 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 29 अक्तूबर 2020 द्वारा श्री अनुराग बाजपेई (डीआईएन: 08948155) को निदेशक मंडल में अंशकालिक सरकारी निदेशक नियुक्त किया है और तदुपरांत उन्हें दिनांक 29 अक्तूबर 2020 से प्रभावी करते हुए इस वार्षिक सामान्य बैठक की तारीख तक अपर निदेशक नियुक्त किया है ।

कंपनी अधिनियम, 2013 की धारा 161(1) और कंपनी के अंतर्नियमों के अनुच्छेद 71सी के तारतम्य में, निदेशक मंडल ने श्री अनुराग बाजपेई को इस वार्षिक सामान्य बैठक की तारीख तक पद धारित करने के लिए अपर निदेशक नियुक्त किया है। कंपनी अधिनियम, 2013 की धारा 160 की आवश्यकता के अनुसार, कंपनी ने श्री अनुराग बाजपेई की नियुक्ति कंपनी के निदेशक के रूप में करने के प्रयोजनार्थ अपना आशय व्यक्त करते हुए रु. 1,00,000/- की जमा राशि के साथ एक सूचना प्राप्त की है।

श्री अनुराग बाजपेई (डीआईएन: 08948155) 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 –

कंपनी अधिनियम, 2013 की धारा 148(3) जिसे कंपनी (लेखा परीक्षा और लेखा परीक्षक नियम) (नियम) के नियम 14 के 2014 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 (एलएलपिन- एएबी-1402 और फर्म पंजीकरण सं. 000648) को इस संकल्प में दर्शित अनुसार कार्यकाल / पारिश्रमिक पर वित्तीय वर्ष 2021-22 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।

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 29th October 2020 appointed Mr. Anurag Bajpai (DIN: 08948155), as Part Time Official Director on the Board of Directors and was subsequently appointed as an Additional Director w.e.f 29th October 2020 to hold office until the date of this Annual General Meeting.

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. Anurag Bajpai, as Additional Director, to hold office upto the date of this Annual General Meeting. As per the requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing along with a deposit of ₹ 1,00,000/- signifying his intention to propose the appointment of Mr. Anurag Bajpai as Director of the company.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Anurag Bajpai (DIN: 08948155), 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:

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 ratified by the Members subsequently.

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 2021-22 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.

कंपनी के कोई भी निदेशक एवं मुख्य प्रबंधकीय कार्मिक या उनके रिश्तेदार इस बैठक की सूचना की मद सं. 05 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 ।

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

मद सं. 3 के संबंध में –

पुनर्नियुक्ति –

नाम और डीआईएन	श्री विनय कुमार कत्याल (डीआईएन– 08281078).
जन्म तिथि	26 जुलाई, 1963
मंडल में नियुक्ति की तारीख	27 नवंबर, 2018
शैक्षिक योग्यता	बी.टेक (इलेक्ट्रॉनिक्स एवं संचार)
विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	बीईएल के बेंगलूरु कॉमप्लेक्स के निदेशक श्री विनय कुमार कत्याल को उत्पादन, विकास एवं अभियांत्रिकी, विपणन और गुणता जैसे विविध क्षेत्रों में 36 वर्षों से अधिक समय का अनुभव है। आईआईटी–बीएचयू, वाराणसी से बी.टेक. (इलेक्ट्रॉनिक्स एवं संचार) डिग्री धारक श्री विनय कुमार कत्याल ने जून 1985 में उप अभियंता के रूप में बीईएल में कार्यग्रहण किया था। बीईएल पंचकूला यूनिट में अपने प्रारंभिक वर्षों के दौरान, वे भारतीय थलसेना के लिए अनेक महत्वपूर्ण संचार और एनक्रिप्शन उत्पादों के विकास में शामिल रहे। बीईएल की बेंगलूरु यूनिट में सैन्य संचार एसबीयू के अपर महाप्रबंधक के रूप में उन्होंने कमांड इनफार्मेशन एंड डिसीज़न सपोर्ट सिस्टम (सीआईडीएसएस), बैटलफील्ड मैनेजमेंट सिस्टम (बीएमएस) और फ्यूचर इनफैंट्री सोल्जर एज़ ए सिस्टम (एफ–आईएनएसएएस) जैसी प्रतिष्ठित केंद्रीय परियोजनाओं के विकास में महत्वपूर्ण योगदान दिया। श्री विनय कुमार ने दिसंबर 2014 में बीईएल के उत्पाद विकास एवं नवोन्मेष केंद्र के महाप्रबंधक का कार्य ग्रहण किया। इसके बाद उन्होंने 27 नवंबर 2018 को निदेशक (बेंगलूरु कॉमप्लेक्स) के पद पर नियुक्ति से पहले महाप्रबंधक के रूप सैन्य संचार एसबीयू का नेतृत्व किया था। उन्हें बीईएल का 'आर एंड डी में प्रमुख योगदान' का पुरस्कार और परियोजना संबंधी अनेक अन्य आर एंड डी पुरस्कार प्रदान किए गए हैं।

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. 05 of the notice of this meeting.

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

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

In respect of item No.3:

Re-Appointment:

Name and DIN	Mr. Vinay Kumar Katyal (DIN: 08281078).
Date of Birth	26 July 1963.
Date of first Appointment on the Board	27 November 2018.
Qualification	B.Tech (Electronics & Communication).
Expertise in specific function area	Mr Vinay Kumar Katyal, Director of BEL's Bangalore Complex, has over 36 years of experience in handling diverse portfolios such as Production, Development & Engineering, Marketing and Quality. Mr Vinay Kumar Katyal, B.Tech (Electronics & Communication) from IIT-BHU, Varanasi, joined BEL in June 1985 as Deputy Engineer. During his initial years at BEL's Panchkula Unit, he was involved in the development of many important communication and encryption products for the Indian Army. As Additional General Manager at the Military Communication SBU at BEL's Bangalore Unit, he facilitated development of prestigious Network Centric projects such as Command Information & Decision Support System (CIDSS), Battlefield Management System (BMS) and Future Infantry Soldier as a System (F-INSAS). Mr Vinay Kumar took over as General Manager of BEL's Product Development & Innovation Centre in December 2014. He later steered the Military Communication SBU as GM before being appointed as Director (Bangalore Complex) in 27 November 2018. He is a recipient of BEL's 'Key Contribution to R&D' Award and many other project-related R&D awards.

कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं
यथा 01.08.2021 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	भारत इलेक्ट्रॉनिक्स लिमिटेड बीईएल- थालेस सिस्टम लिमिटेड
यथा 01.08.2021 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	बीईएल- थालेस सिस्टम लिमिटेड - नामांकन व पारिश्रमिक समिति - अध्यक्ष बीईएल- थालेस सिस्टम लिमिटेड - लेखा परीक्षा समिति के सदस्य
धारित शेयरों की संख्या	1263 इक्विटी शेयर
वित्तीय वर्ष 2020-21 के दौरान आयोजित मंडल की बैठक में उपस्थिति	वित्तीय वर्ष 2020-21 में आयोजित 09 बैठकों में से 9 बैठकों में भाग लिया ।

नियुक्ति-

नाम और डीआईएन	श्री अनुराग बाजपेई (डीआईएन- 08948155).
जन्म तिथि	13 जुलाई, 1970.
शैक्षिक योग्यता	एम.ए. (अर्थशास्त्र) में स्नातकोत्तर, भारतीय वन सेवा (आईएफएस)
विशिष्ट कार्यशील क्षेत्रों में विशेषज्ञता	श्री अनुराग बाजपेई 1994 बैच के भारतीय वन सेवा अधिकारी हैं। अर्थशास्त्र, वित्त प्रबंधन और जनसंचार में स्नातकोत्तर, उन्हें वानिकी, पर्यावरण नीति, महिला सशक्तिकरण और ग्लोबल गवर्नेंस में अंतर्राष्ट्रीय एक्सपोज़र प्राप्त है। उन्होंने खाद्य एवं कृषि संगठन (एफ.ए.ओ.), रोम की परियोजना पर कार्य किया और नीति आयोजन एवं प्रशासन में अनुभव प्राप्त करते हुए 32 देशों की यात्रा की। श्री अनुराग बाजपेई ने वानिकी स्वीकृतियों में सुधार लाने और भारत की पहली पवन बिजली योजना तैयार करने में महत्वपूर्ण भूमिका निभाई । उन्होंने कौशल विकास, शिक्षा, अवसंरचना विकास और महिला सशक्तिकरण में सक्रिय भूमिका निभाई है। इससे पहले उन्होंने सहायक महानिरीक्षक-वन, पर्यावरण, वन एवं जलवायु परिवर्तन मंत्रालय और अल्पसंख्यक मामला मंत्रालयों में क्रमश: उप सचिव एवं निदेशक पदों पर अपनी सेवाएं दी हैं।

Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.
Directorship held in other Public Limited Companies as on 01.08.2021	Bharat Electronics Limited BEL-Thales Systems Limited
Chairman/ Membership of Committees in other Public Limited Companies as on 01.08.2021	BEL-Thales Systems Limited – Nomination & Remuneration Committee - Chairman BEL-Thales Systems Limited - Audit Committee Member
No. of Shares held	1263 Equity Shares.
Attendance in the Board meetings held during the financial year 2020-21	Attended 9 meetings out of 9 meetings held during the financial year 2020-21.

Appointment:

Name and DIN	Mr. Anurag Bajpai (DIN: 08948155).
Date of Birth	13 July 1970.
Qualification	Post Graduate in MA (Economics), Indian Forest Services (IFS).
Expertise in specific function area	Mr Anurag Bajpai belongs to the 1994 batch of Indian Forest Service. A Post Graduate in Economics, Financial Management and Mass Communication, he has international exposure in forestry, environment policy, energy, women empowerment and global governance. He has worked on a project for the Food and Agriculture Organization (FAO), Rome, and travelled 32 countries, gaining experience in policy planning and administration. Mr Anurag Bajpai was instrumental in bringing reforms in forestry clearance and formulating the first Wind Energy Policy of India. He has played an active role in Skill Development, Education, Infrastructure Development and Women Empowerment. He has served as Asstt. Inspector General of Forest, Dy. Secretary and Director in M/o Environment, Forest & Climate Change, M/o Tribal Affairs and M/o Minority Affairs, respectively, in his previous terms.

	अपने मूल संवर्ग यानी मणिपुर में, उन्होंने वरिष्ठ पदों पर कार्य किया और प्रशासनिक अनुभव अर्जित किया। उन्होंने वन एवं पर्यावरण विभाग तथा कपड़ा, वाणिज्य एवं उद्योग विभाग में कार्य किया। रक्षा मंत्रालय, भारत सरकार के रक्षा उत्पादन विभाग में संयुक्त सचिव के रूप में कार्यग्रहण करने से पहले वे वन विभाग में अपर मुख्य संरक्षक – वन तथा मणिपुर में वाणिज्य व उद्योग विभाग में पारंपरिक कारीगर व शिल्पकारों के आर्थिक सशक्तिकरण मिशन के सी.ई.ओ. थे।
कंपनी के अन्य निदेशकों और मुख्य प्रबंधक कार्मिकों के साथ संबंध का प्रकटण	कोई नहीं
यथा 01.08.2021 को अन्य पब्लिक लिमिटेड कंपनियों में धारित निदेशक के पद	मिश्र धातु निगम लिमिटेड
यथा 01.08.2021 को अन्य पब्लिक लिमिटेड कंपनियों की समितियों की अध्यक्षता/सदस्यता	कोई नहीं
धारित शेयरों की संख्या	कोई नहीं
वित्तीय वर्ष 2020-21 के दौरान आयोजित मंडल की बैठक में उपस्थिति	वित्तीय वर्ष 2020-21 में निदेशक के रूप में अपने कार्यकाल के दौरान आयोजित 4 बैठकों में से 1 बैठक में भाग लिया ।

	In his parent cadre, i.e. Manipur, he has held senior positions and gained administrative experience. He has served in Forest & Environment Department and Deptt. of Textiles, Commerce and Industries. Before joining the Deptt of Defence Production in MoD, Govt. of India as Joint Secretary, he was Addl. Principal Chief Conservator of Forests in Forest Department and CEO of Mission for Economic Empowerment of Traditional Artisan & Craftsmen (MEETAC) in Deptt. of Commerce and Industries in Manipur.
Disclosure of Relationship with other Directors and Key Managerial Personnel of the Company	Nil.
Directorship held in other Public Limited Companies as on 01.08.2021	Mishra Dhatu Nigam Limited
Chairman/ Membership of Committees in other Public Limited Companies as on 01.08.2021	Nil.
No. of Shares held	Nil.
Attendance in the Board meetings held during the financial year 2020-21	Attended 1 meetings out of 4 meetings held during his tenure as Director in the financial year 2020-21.

मंडल के आदेशानुसार
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड

बेंगलूरु
1 सितंबर 2021

एस श्रीनिवास
कंपनी सचिव

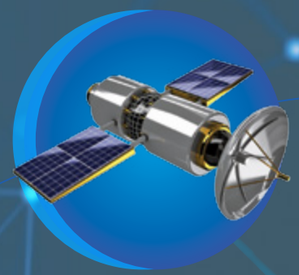
By order of the Board
For Bharat Electronics Limited

Bengaluru
1 September 2021

S Sreenivas
Company Secretary

Annual Report | 2020-21

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS



















Expanding Further

BHARAT ELECTRONICS LIMITED
(A Government of India Enterprise
under the Ministry of Defence)
(CIN: L32309KA1954GOI000787)

Registered & Corporate Office
Outer Ring Road, Nagavara,
Bengaluru - 560 045. India.

Phone : +91-80-2503 9300
: +91-80-6700 9300
Fax : +91-80-2503 9266
E-mail : secretary@bel.co.in
Website : www.bel-india.in
Toll Free : 1800 425 0433

Azadi Ka Amrit Mahotsav

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY, TECHNOLOGY, INNOVATION

आत्मनिर्भर भारत अभियान

Empowering the Nation's Defence Forces



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THE PAST DECADE

(₹ in Lakh)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Sales & Services	570363	601190	617423	669457	754117	882470	1008484	1178922	1260776	1381816
Value of Production	579358	628991	612690	665854	777537	924383	966956	1192142	1234833	1394749
Other Income	70312	60993	42847	47795	53708	47101	20038	16954	10194	12610
Materials	366903	408463	358356	374453	406077	483222	510350	607993	684573	795715
Employee Benefits Expense	108123	111079	103043	126345	125726	154831	177233	187905	205749	194068
Depreciation / Amortization	12080	13071	14210	15396	17221	19152	25100	31622	34964	36633
Interest / Finance Cost	60	78	340	138	451	1178	127	1221	326	608
Other Expenses	55019	57174	77439	67360	123978	141733	110977	139574	102833	111421
Profit Before Tax	107485	111459	117474	146669	173212	202942	194784	270319	247917	293481
Provision For Tax	24495	22476	24312	29945	42476	48180	54855	77590	68534	86939
Profit After Tax	82990	88983	93162	116724	130736	154762	139929	192729	179383	206542
Dividend (Amount)	16640	17840	18640	23360	40800	50257	49058	82844	68224	97464
Dividend (%)	208	223	233	292	170	225	200	340	280	400
Equity Share Capital	8000	8000	8000	8000	24000	22336	24366	24366	24366	24366
Other Equity	554221	622369	693724	780503	874360	728518	751735	877525	960928	1056423
Loan Funds	10	1	-	-	-	5000	6666	3334	833	-
Gross Block	190158	207323	222667	248515	114689	161699	221984	301320	379483	411759
Cumulative Depreciation / Amortization	139142	149778	157572	171405	17029	36168	61275	92880	127514	163756
Inventory	279182	327108	337014	342688	417747	490501	473912	445479	396275	495467
Trade Receivables	268686	333467	412854	378614	371193	435488	504950	536921	673291	655154
Working Capital	478994	544494	607714	690982	737289	530455	436595	537631	581656	681189
Capital Employed	530010	602039	672809	768092	834949	655986	597304	746071	833625	929192
Net Worth	562221	630369	701724	788503	898360	750854	776101	901891	985294	1080789
Earnings Per Share (in Rupees)	3.15	3.37	3.53	4.42	4.95	6.03	5.70	7.91	7.36	8.48
Book Value Per Share (in Rupees)	23.43	26.27	29.24	32.85	37.43	33.62	31.85	37.01	40.44	44.36
No. of Employees	10791	10305	9952	9703	9848	9716	9726	9612	9279	9172

BHARAT ELECTRONICS LIMITED AT A GLANCE

Bharat Electronics Limited (BEL) is a Navratna PSU under the Ministry of Defence, Government of India, which provides advanced products and systems for military, government and civilian customers. Primarily established to meet the specialised electronic equipment requirements of the Indian Defence Services, BEL now has a significant presence in the civilian market as well.

VISION



To be a world-class enterprise in professional electronics.

MISSION



To be a customer focussed, 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 focussed 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 people to realise their full potential through continuous learning & team work.
- To give value for money to customers & 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.

FINANCIAL HIGHLIGHTS (FY 2020-21)

(₹ in Crore)

Turnover
13,818

Value of Production
13,947

Operating Profit
2,815

Turnover Per Employee
1.51

Net Worth
10,808

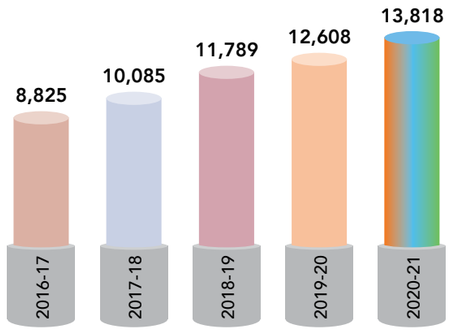
R & D Investment
873

Order Book
53,434

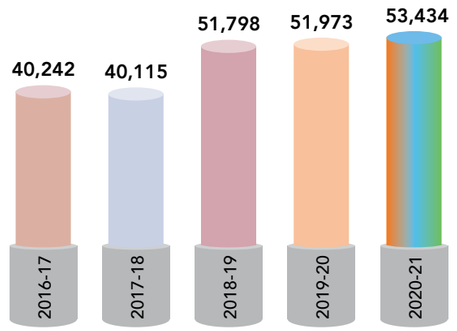
Profit After Tax
2,065

FINANCIAL HIGHLIGHTS (LAST 5 YEARS)

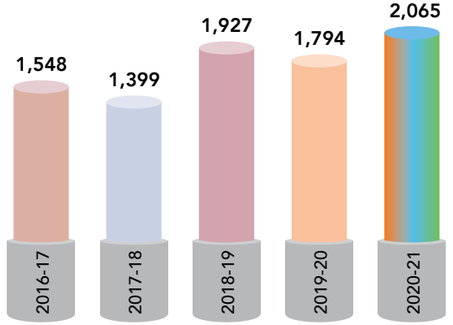
TURNOVER (₹ in Crore)



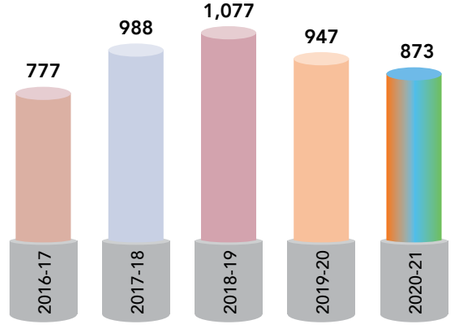
ORDER BOOK (₹ in Crore)



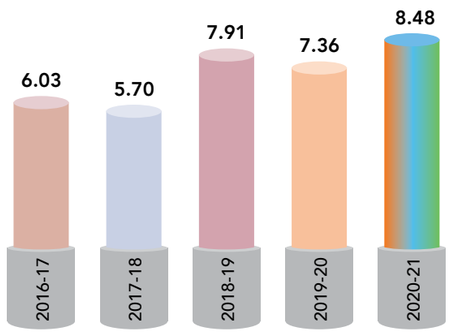
PROFIT AFTER TAX (₹ in Crore)



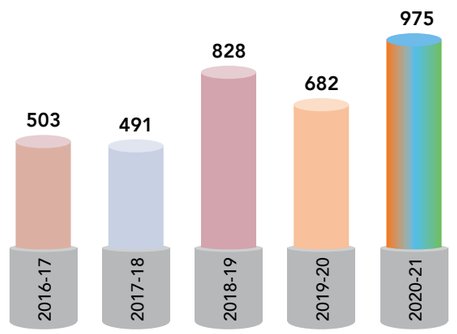
R&D INVESTMENT (₹ in Crore)



EARNINGS PER SHARE (in ₹)



DIVIDEND DISTRIBUTION (₹ in Crore)



MESSAGE FROM CHAIRPERSON



DEAR SHAREHOLDERS,

In multiple ways, the year 2020-21 was a tumultuous and challenging year for us. The onslaught of Pandemic has shaken the humankind and economies across the world, including domestic economy. In this changed scenario, I would like to share the achievements and financial highlights of your Company during the past year.

BEL has always been at the forefront to serve the nation through its multiple products and innovative solutions. BEL is in constant pursuit of exploring new vistas and challenges in both Defence and Non-Defence segments, leveraging its core strength and expertise in the domain of Defence Electronics. During the Covid-19 crisis, BEL rose to the nation's call for supplying emergency medical equipment and within a short span of time, BEL manufactured and delivered 30,000 ICU grade ventilators to the Government of India. With the dedication of our workforce and support from stakeholders, we emerged stronger than ever before to meet the challenges.

During the financial year 2020-21, there were considerable challenges in the changing business environment we operate. Despite these challenges, your Company has achieved significant growth in revenues with greater emphasis on R&D, technology updation and constant infrastructure modernization.

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 Rs. 13,81,816 Lakh during 2020-21 against Rs. 12,60,776 Lakh in 2019-20, thereby registering a growth of 9.60%. BEL achieved an export sale of 51.93 Million USD during the year. Some of the countries, where your Company's products were exported include USA, France, Israel, Germany, Switzerland, Sweden, China, Republic of Armenia, Maldives, Indonesia, Srilanka, Turkey, Bhutan and SEZs. The major Products/ Systems exported during the year include Coastal Surveillance System, Data Link II, EOS CoMPASS, IFF-I Mk-XI, Radar Finger Printing System, Communication Equipments, TR Modules, Vacuum Interrupters, Mechanical Parts, Cable Looms, Radar Spares, Sub Assembly of Radar & EW Systems, Assemblies and Sub-Assemblies of Missile systems, Shelter Spares, Electronic Fuzes, etc.

Growth of
9.60%
in Turnover

R&D Investment
6.32%
of Turnover

All the nine manufacturing Units of the Company have performed well. The Profit After Tax is Rs. 2,06,542 Lakh for 2020-21 as against Rs. 1,79,383 Lakh in 2019-20 registering a growth of 15.14%. The Net Worth of the company has increased from Rs. 9,85,294 Lakh in year 2019-20 to Rs. 10,80,789 Lakh in 2020-21. Turnover per Employee has increased from Rs. 135.87 Lakh in 2019-20 to Rs. 150.66 Lakh in 2020-21. At Rs. 53,43,300 Lakh (as on 1st April 2021) the order book continues to be healthy and also good order inflow projections are expected in the next 2-3 years.

R&D has been the main focus area of your Company, aimed at increasing indigenisation and value addition in our products / systems. The total investment in R&D as a percentage of turnover during the year was 6.32%. 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 were generated from products manufactured through ToT from foreign OEMs. Defence being the mainstay of the Company, has contributed 78% of Sales revenue in 2020-21 as against 82% in 2019-20, with the balance 22% coming from the non-defence segment.

Your Company has always been in forefront in continuously developing innovative and quality products for customers. Some of the major products/systems introduced during 2020-21 include Compact Tracking Radar (CTR) for Lynx U2, Gun Fire Control System (GFCS), Variants of Software Defined Radios, Battle Field Surveillance Radar (BFSR) Upgrade, Composite Communication System (CCS) MK-II, Electronic Counter Measure (ECM) Jammer MK-III, Counter Radio Controlled Improvised Explosive Devices (RCIED) equipment, Samyukta Electronic Warfare Non-Communication entities, Integrated Air Command and Control System (IACCS) Batch 2, Panoramic Night Vision Goggles (NVG) for Aviation, Artillery Combat Command and Control System Phase III, Digital Beam Former for Airport Surveillance Radar, Coastal Surveillance System (CSS) Phase 2, Encryptors, Link Encryptor for Versatile Environment (LIVE) MK-II and Secure Multi Interface Link Encryptor (SMILE) MK-II, Adaptive Traffic Control System (ATCS) for smart cities, Electric Gun and Turret Drive System for Armoured Fighting Vehicles (AFV), Li-ion batteries for Two/Three-wheeler Electric Vehicles (EV), Train Simulator for Mumbai Monorail, Motion based vehicle driving simulator for Bus, Indigenous Airport Surveillance Radar (ASR) and Mono-pulse Secondary Surveillance Radar (MSSR), Re-engineered RAWL-02-MK-II-A Radar, IFF MK-XII(S) Interrogator, AI enabled solutions for various applications like Gesture recognition for surveillance applications, Automatic Information Extraction & Synthesis, Traffic Analytics, Activity inference for enemy target using templating for air operations (C4I) etc.

Revenue from
Defence Business is
78%

Your Company has received orders worth about Rs. 15,27,800 Lakh during the year. Major Orders received include AFNET Performance & Security Enhancement and SATCOM Network, Ventilators including Services, Naval Fire Control System, Software Defined Radio, Advance Torpedo Defence Systems, Digital Mobile Radio Relay etc.

Your company has been granted three (3) patents in 2020-21 and with this the total number of patents granted stands at thirteen (13). As many as 97 technical papers were published by scientists and R&D engineers of BEL in various National and International journals / seminars/ conferences. Your Company has filed 162 IPRs (including 84 Patents) during 2020-21.

Some of the performance highlights of your Company during the year are:

- Established Advance Torpedo Decoy System (ATDS) Maareech Integration Facility, Bangalore
- Export Manufacturing SBU has received ISO 13485 Medical Devices QMS certificate for ICU Ventilators.
- Creation of new SBU to address the opportunities in the "Software as a Service" domain.
- BEL has filed 162 Intellectual Property Rights (IPR) applications in the areas of Embedded Systems, Electro optics, Software, Communication, Radar, Network & Communications etc.
- BEL has empanelled 279 partners towards Collaborative R&D which includes 31 collaborative R&D partners, 178 design service providers, 37 Consultants and 39 Production service providers.

- Software SBU has received ITSMS ISO/IEC 20000-1 Certification.
- BEL received 12 Green Channel Certificate for 41 Products covering 10 Units/SBUs of BEL.

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

- Times Ascent's CEO with HR Orientation Award
- International Aerospace Award
- PSE Excellence Award
- The Policy Times' appreciation Award

Filed Application for
162
IPRs

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 fast changing technological advancements besides enhancing operational efficiency. Also, the Government's emphasis on 'Make in India' and 'Atmanirbhar Bharat' initiatives in Defence sector provides a great opportunity for your Company to enhance indigenization efforts and address the emerging opportunities in the Indian Defence sector.

BEL is targeting a healthy growth of 12-15% during 2021-22. 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. Along with this, the Non-Defence segment businesses like Homeland Security, Smart Cities, EVMs and other diversification areas will also contribute to the growth of the Company.

To retain the leadership position in strategic electronics your Company has evolved various strategies and has initiated plans to rise above competition and maintain a technological edge.

Your Company has always been giving greater emphasis towards indigenous development of Systems and Services. In this regard, your Company is constantly focusing on enhancing capabilities and competitiveness through indigenisation, diversification, continuous modernization, 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 Cities, Electric Vehicles (Li-ion & Fuel Cells, Charging Stations etc.), Space grade Solar Cells, Solar Business, Space /Satellite Electronics, Space Launch Vehicles, Satellite Communication Services, Satellite Assembly & Integration, Network & Cyber Security, Railways & Metro Solutions, Solutions for Civil Aviation sector including Air Traffic Controller Radars, Anti Drone systems, Software as a Service, Smart Meters, Atmospheric Water Generator, a range of Medical Electronics & Healthcare solutions, Telecom Products, PNVDs, Composites, etc.

The future of your Company looks promising as well as challenging. The Defence Sector is being opened up for private sector participation with evolution of Defence Procurement Procedure. In this changing business scenario, your company is focusing on enhancing interaction at various levels and building long term relationships with customers, emerging Strategic Partners and other key stake holders in the Indian defence industry as a trusted and committed partner. Your company has taken several mitigation measures to reduce the impact of Covid-19 on the performance of the Company.

Defence Acquisition Procedure 2020 (DAP 2020) has been released with several improvements focusing on Self-reliance, wherein Indigenisation and Innovation is enabled through processes of Make, Design & Development and Strategic Partnership. Your company has always been working on providing indigenous solutions to the customers. This creates an opportunity to provide import substitution and helps to promote innovative solutions for defence equipment. Your Company has also responded to many 'Make-II' projects which are in line with BEL's business.

The Focus is on building excellence through sustained growth in all the segments we operate. For that, it is important for BEL to stay abreast with new technology and develop new products, regularly meet the requirements of customers and provide 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.

Some of the major projects planned for execution during 2021-22 are Long Range Surface to Air Missile System (LRSAM), Integrated Air Command & Control System (IACCS), Coastal Surveillance System (CSS)-Phase II, Kerala Fibre Optic Network (K-FON), Weapon Locating Radar, Integrated Perimeter Security System (IPSS), Samyukta EW Upgrade System, SAGAR III Systems, ACCS, HUMSA UG Systems, Lynx U1 Mod, Shakti Ph-III, Electronic Voting Machines (EVM) etc.

On the Export front, the order book, as on 1st April 2021, stands at US $ 125.93 Million including offset orders of US $ 46.35 Million. To give greater thrust to exports, your Company has opened marketing offices at Oman, New York, Singapore, Vietnam & Sri Lanka and has plans to open offices in other countries. Your Company also strives to increase 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 to maximize geo-strategic reach and increase its global footprint.

CSR INITIATIVES

Your Company has undertaken various CSR programmes/ initiatives/projects as per the Company's Corporate Social Responsibility Policy, in line with Section 135 & Schedule VII of the Companies Act, 2013 & amendments thereof. Your Company has spent Rs. 2,279 Lakh in key sectors like Healthcare, Nutrition, Education and Vocational Skill Development. Your Company is diligently supporting the country's fight against COVID-19 and was one among the few CPSEs chosen by the Department of Public Enterprises (DPE) to supply Cold Chain Equipment for the COVID-19 Vaccination program of the Government of India.

2279.18
Spent towards CSR activities (Rs. in Lakh)

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.

Your Company has received 'NIL' comments certificate from the C&AG for the year 2020-21.

The corporate performance of BEL, which is measured in terms of the economic, environmental and societal parameters augurs well to reinforce the image of BEL as a socially responsible corporate entity. At BEL, sustainability endeavours are encompassed in its 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 recycle, reuse and reduce will also continue to be implemented to create a greener future.

ACKNOWLEDGEMENTS

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

The dedication, resilience and commitment of our employees and officers at all levels continues to be the major strength of your Company by which we continue to deliver the solutions to constantly meet the Customers' requirements. We shall make continuous efforts to launch new initiatives and build on these strengths to face future challenges and sustain the momentum for profitable growth in the coming years.

Thank you for the continuous support to Bharat Electronics Limited.

With best wishes,

Yours Sincerely,



Mrs Anandi Ramalingam
Chairman and Managing Director
(Additional Charge)

Bengaluru
31 August 2021

HIGHLIGHTS OF THE YEAR





BEL delivers 30,000 CV 200 ICU Ventilators in record time





Launch of 'e-Chhawani' online portal connecting all Defence Cantonments of India



EAL4 Certification for Project IACCS



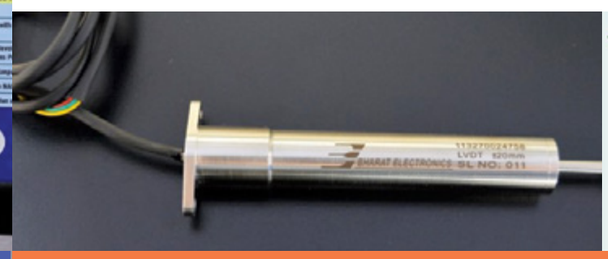
Hon'ble Raksha Mantri, Shri Rajnath Singh, inaugurates upgraded manufacturing facility for ATDS Maareech



BEL pays 682.24 Cr (280%) Interim Dividend for FY 2020-21 to GoI



BEL receives 12 Green Channel Certificates for 41 products





New products, Linear Variable Differential Transducer and 1kW Transmitter Aerial Switching Rack, developed by BEL as part of Atmanirbhar Bharat initiative launched



Strategic products from BEL for which EoI for indigenisation was announced

NEW BUSINESS INITIATIVES



MoU signed between Airports Authority of India and BEL to address global opportunities in airport business



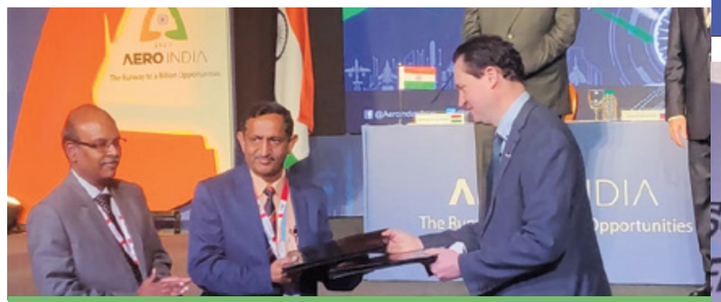
MoU between BEL and The Institute of Defence Studies and Research (IDSR), Ahmedabad, for collaboration in projects of mutual interest and hand-holding for creation of market-ready products by startups and innovators



MoU between BEL and BPL Medical Technologies Pvt Ltd to provide affordable health care for the country



MoU between BEL and L&T to address evolving domestic and export market needs in Defence



Offset Contract under invest in kind between BEL and Rosoboronexport, Russia



Strategic MoU between BEL and Texmaco for exploring opportunities under GOCO Model implementation for overhaul of land systems of the Indian Army



Contract between BEL and Ministry of Defence for procurement of Software Defined Radio Tactical worth over Rs 1,000 Crores



BEL receiving LAToT for Low Level Transportable Radar Ashwini from DRDO

NURTURING COMMUNITIES, EMPOWERING LIVES

Our pursuit for business success is underlined by a strong desire to establish ourselves as a responsible company. We, therefore, strive to initiate change through meaningful contributions that create a positive impact on people and communities.

HEALTH CARE & NUTRITION

BEL has donated a Walk-in-Freezer and **97 Deep Freezers** to the Directorate of Health & Family Welfare Services, Govt. of Karnataka, to support the COVID vaccination programme of the Govt. of India. The Cold Chain equipment will be used to store vaccines in Govt. Hospitals across Karnataka.

Govt. Hospitals equipped with **COVID** related medical equipment benefiting **rural** population of around 9.33 Lakh



Handing over of Cold Chain Equipment — Walk-in-Freezer and Deep Freezers



Handing over of COVID-related Medical Equipment to Govt. Hospitals and Grocery kits to migrant labourers

CSR fund of **₹15.45 Crore** donated to PM CARES Fund

The Company allocated around **₹16.50 Crore** towards various thematic CSR Projects

Distribution of 3300 dry **grocery kits** to migrant labourers in Bengaluru & Raichur Aspirational District

EDUCATION



MoU signed between BEL and NCSM to upgrade "BEL Hall of Electronics" at VITM, Bengaluru at a cost of Rs. 200 Lakh



Creation of Smart **Class Rooms** for 135 Govt. schools in **aspirational district** Raichur, Karnataka

Benefitting over 40,000 rural students from **economically** weaker sections of the society



Augmentation of infrastructure in Govt. schools, including new school building, furniture for classrooms, kitchen, drinking water and sanitation facilities



Augmentation of infrastructure in adopted Govt. Industrial Training Institutes across India

RURAL DEVELOPMENT

BEL has made inclusive and sustainable development interventions for the benefit of re-habilitated tribal families of H D Kote, Mysore District, Karnataka



Developmental works at H D Kote – Public Toilets, Overhead Water Tank, Borewell, Drinking Water, Pipelines, Laying of Roads, Construction of Classrooms & Provision of Furniture

ENVIRONMENT SUSTAINABILITY

BEL has set up a 10 MLD Sewage Treatment Plant to rejuvenate the Doddabommasandra Lake in Bengaluru to preserve the biodiversity and socio-ecological balance of the lake and recharge the ground water table.



Visit by the then Chief Secretary, Govt. of Karnataka, Shri. T M Vijay Bhaskar, to Doddabommasandra Lake, Bengaluru, which has been restored by BEL

AWARDS



International Aerospace and Defence Award for 'Outstanding Contribution to the Aerospace Industry'



The Policy Times 'Unleashing India' National Reincarnation Web Summit Certificate of Appreciation for Mr Gowtama M V, BEL CMD



Indian Chamber of Commerce (ICC) PSE Excellence Award 2019 for Corporate Governance (conferred virtually)



'CEO with HR Orientation' Award for Mr Gowtama M V, BEL CMD

BOARD OF DIRECTORS

(as on 1st September 2021)

WHOLE-TIME DIRECTORS



MRS ANANDI RAMALINGAM
Director (Marketing)
Chairman and Managing Director (Additional Charge)
Director (Other Units) (Additional Charge)



MR VINAY KUMAR KATYAL
Director
(Bangalore Complex)
Director (HR) (Additional Charge)



MR DINESH KUMAR BATRA
Director
(Finance) & CFO

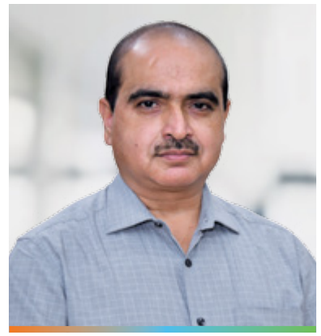


MR M V RAJASEKHAR
Director
(Research & Development)

GOVERNMENT NOMINEE DIRECTORS



MS MANJULA J
DS & DG (ECS), DRDO



MR ANURAG BAJPAI
JS (P&C), Ministry of Defence

INDEPENDENT DIRECTOR



MR SUNIL KUMAR KOHLI
Ex-FADS - Ministry of Defence

COMPANY SECRETARY



MR S SREENIVAS
Company Secretary

SENIOR MANAGEMENT

(as on 1st September 2021)



Mr. Shrikant Walgad, IAS
Chief Vigilance Officer



Mr. Manoj Kumar
ED NM - Delhi



Mr. Joydeep Majumder
ED NCS & UH - GAD



Mr Srinivasan R
ED (MS) - BG



Mrs. Hemalatha K
ED (SP) - CO



Mr. Nanda Kumar V
CS-CRL - BG



Mr. Jagdish Chand
GM (Radar) - GAD



Mr. Bhanu Prakash Srivastava
GM (ADSN) - BG



Mr. Vikraman N
GM (HR) - CO



Mr. Manoj Jain
GM (EW&A) - BG



Mr. Amrendra Kumar Singh
CTO (EO & Laser) - CO

SENIOR MANAGEMENT

(as on 1st September 2021)



Mrs. Padmini Balachandra
CTO (R&WS) - CO



Mr. Sekhar RL
GM (SC&US) - BG



Mr. Anil Pant
GM (IM) - CO



Mrs. Durga G K
GM (Software) - BG



Mr. Sankarasubramanian R
GM (Quality) - CO



Mr. Pugazhenthi R
GM (HLS & SCB) - BG



Mr. Loyola Pedro Vianney
GM - CHN



Mr. Rajendra K
GM - PUNE



Mr. Suresh Kumar KV
GM (PD&IC)



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 (EM) - BG



Mr. Anoop Kumar Rai
CS (CRL) -GAD



Mr. Umesh KS
GM (NS/R&FCS) - BG

SENIOR MANAGEMENT

(as on 1st September 2021)



Mr. Naresh Kumar S
GM (Comps) - BG



Mr. Raman R
GM (IA) - CO



Mr. Sampathkumar P
CTO (Comm) - CO



Mr. Mohan R P
GM (HR) - BG



Mr. Pahuja B P
GM (ES) - BG



Mr. Ramakrishnan L
GM (MR) - BG



Mrs. Rashmi Kathuria
GM (SCCS) - GAD



Mr. Suryanarayana Murthy G
GM (CM) - Delhi



Mr. Visweswar Putcha
GM - NAMU



Mr. Nandha Kumar TD
GM (NS/S&CS) - BG



Mr. Srinivas K
GM- HYD



Damodar Bhattad S
GM (Finance) - CO

AUDITORS

Statutory Auditors	Branch Auditors	Secretarial Auditors	Cost Auditors
M/s SURI & CO., Bengaluru	M/s Tambi & Jaipurkar, Pune M/s J P Kapur & Uberai, New Delhi M/s Piramana & Associates, Vijayawada	M/s Thirupal Gorige & Associates LLP Bengaluru	M/s Murthy & Co. LLP, Bengaluru

VISITS



Air Marshal Vibhas Pande and team of senior IAF officers



Ms Gunjan Krishna, IAS, Commissioner for Industrial Development & Director, Department of Industries & Commerce, Govt of Karnataka

VISITS



Lt Gen Anil Kapoor



Maj Gen S Mohan



Air Marshal Shashiker Choudhary



Rear Admiral Guninder Singh Jawanda

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 2021 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 Lakh)

Particulars	2020-21	2019-20
Value of Production	13,94,749	12,34,833
Turnover	13,81,816	12,60,776
Profit Before Depreciation, Interest and Tax	3,30,722	2,83,207
Finance Cost	608	326
Depreciation & Amortisation	36,633	34,964
Profit Before Tax	2,93,481	2,47,917
Provision for Tax	86,939	68,534
Profit After Tax	2,06,542	1,79,383
Other Comprehensive Income / (Loss)	(8,709)	(3,814)
Total Comprehensive Income	1,97,833	1,75,569
Dividend paid	1,02,337	75,534
Tax on Dividend	-	15,439
Transfer to General Reserve	40,000	40,000
Other Equity (Including Reserves & Surplus)	10,56,423	9,60,928
Net Worth	10,80,789	9,85,294
Earnings Per Share (in ₹)	8.48	7.36
Book Value Per Share (in ₹)	44.36	40.44

Distribution of Value of Production for 2020-21 is given below:

(₹ in Lakh)

Particulars	Amount	Percentage
Materials	7,95,715	57.05%
Employee Cost	1,94,068	13.91%
Other Expenses (Net)	74,852	5.37%
Depreciation & Amortisation	36,633	2.63%
Provision for Tax	86,939	6.23%
Profit After Tax	2,06,542	14.81%
Total	**13,94,749**	**100.00%**

The Company's turnover for the year 2020-21 increased to ₹ 13,81,816 lakh from ₹ 12,60,776 lakh in 2019-20, registering a growth of 9.6%. The Profit After Tax (PAT) for the year is ₹ 2,06,542 lakh compared to ₹ 1,79,383 lakh in the previous year. Turnover from indigenously developed products was 79%. Contribution for Defence supplies was at 78% of the turnover in 2020-21 compared to 82% in the previous year.

Dividend

In pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company formulated a Dividend Distribution Policy keeping in view the provisions of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013, Guidelines issued by the 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 https://www.bel-india.in/ContentPage.aspx?MId=17&CId=527&LId= 1&link=527

The Board of Directors has recommended a final dividend of ₹ 1.20/- per equity share (120%), amounting to ₹ 29,239.12 lakh for the year 2020-21. The first interim dividend of ₹ 1.40 per equity share (140%) and the second interim dividend of ₹ 1.40 per equity share (140%) has been paid to the shareholders for the financial year 2020-21. Thus, the total dividend for the year 2020-21 is ₹ 4.00/- per equity share (400%), amounting to ₹ 97,463.72 lakh.

Transfer to Reserves

An amount of ₹ 40,000 lakh has been transferred to General Reserves for the financial year 2020-21.

Share Capital

The Company's authorised capital was ₹ 25,000 lakh (250,00,00,000 equity shares of ₹ 1/- each) and paid-up share capital was ₹ 24,366 lakh as on 31 March 2021. There was no change in the authorised/paid-up share capital of the Company during the year.

Major Orders Executed

Major Defence and non-Defence Projects executed during the year are part supply of Long Range Surface-to-Air Missile (LRSAM) System, ICU Ventilators, Integrated Air Command and Control System (IACCS), Akash Missile System, Thermal Imagers for tanks, Vehicle based Shelters network (SAMYUKTA), various Radars, AFNET performance & security enhancement & SATCOM Network, Smart City Projects, Kerala Fibre Optic Network (K-FON), upgrade of the communication system (SHAKTI PH III), Coastal Surveillance System (CSS Phase II) and the Naval Airfield Integrated Security System (NAISS).

Exports

Your Company has been focusing increasingly towards harnessing the export potential of Defence electronics products & systems, including Homeland Security Solutions, Border Protection systems and state-of-the-art systems & solutions and professional electronics to address the civilian market, which represents its core area of business.

BEL has been exporting various products and systems to foreign countries and global OEMs. Having established a healthy relationship with its current & prospective customers and based on their requirements BEL has been regularly interacting with the Ministry of External Affairs (MEA) & the Ministry of Defence (MoD) for supply of various products and systems.

BEL is also exploring civil and medical equipment market in developed, developing & third world countries, with product and solutions like Artificial Intelligence-based solutions, software development for various civilian projects, IOT Sensors, Sensor Fusion and Management Systems, Unified Data Analytics Platform System, Smart Hub, security package for VVIP areas, Smart Cities, Critical infrastructure development, solar power generation projects etc.

BEL is focusing on opportunities in the area of helping OEMs to meet offset obligations in various Request for Proposals (RFPs) of the MoD on account of the offset policy incorporated in the Defence Procurement Procedure. To this end the Company 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 on to establish a long-term supply chain connect with global players.

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

Despite the Covid-19 pandemic worldwide, the Company achieved the export order acquisition of US $56.61 million during 2020-21, from various global customers viz., the US, France, Switzerland, Israel, Sweden, ASEAN countries, Mauritius and Sri Lanka. With this, the export orders as on 1 April 2021 stood at more than US$ 125 million.

The Company achieved an export sale of US $51.93 million during 2020-21, to various countries, viz., Switzerland, the US, France, Israel, Sweden, Seychelles, Maldives, Sri Lanka, ASEAN countries and the various SEZs. Major products / systems exported were Coastal Surveillance Systems Radar, Sub Systems of Radar and EW Systems, Data Link II, Cable looms, mechanical parts, communication equipment, IFF-Interrogator, Radar Finger Printing System, EOS, Power Source, Radar Spares, etc.

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

Initiatives taken to increase exports by development of new markets for products & services during the financial year 2020-21:

❖ **Major initiatives taken in 2020-21**

- Exim / Buyer's Credit Project - Pursued market leads for various countries.
- Collaborated with new local partners in Kenya, Chile, Suriname, Malaysia, Nepal, Bangladesh.
- Pursued G2G opportunities in various neighbouring countries.
- Increased contract manufacturing portfolio by increasing empanelment of BEL as global supply chain partner with OEMs.
- Explored businesses in the field of turnkey solutions based on software capabilities and Artificial Intelligence under secure environment.
- Strategic alliance with the Indian platform manufacturers and initiating discussions and processes for signing agreements with major Indian platform manufacturers to create strong support within the country
- Proposed strategic alliance with foreign OEMs to address global markets by offering the best value proposition
- Efforts towards increasing participation in Government tenders in foreign countries.

BEL regularly interacts with the Ministry of External Affairs, the Indian High Commission, the Defence Attaché, and MoD, India for supply of products/systems under the Line of Credit (LoC)/grants to friendly countries to India.

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

- Coastal Surveillance System
- Naval Systems and Solutions
- Radar Systems and Solutions
- Upgradation of Naval Radar and Sonars
- Contract Manufacturing
- Communication Equipment's
- Electronic Warfare Avionics
- Solar Power Plants and Equipment's
- Civilian and Software solutions

❖ The following were the scope for offset business during 2020-21:

- Data Link II
- IFF – Interrogator
- Radar Finger Printing Systems
- EoS CoMPASS
- EW & Radar Sub-Assemblies for Thales, France
- Missile Systems and Solutions
- Cable Looms

MoU with the Government

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Ministry of Defence, Government of India. The MoU rating for 2019-20 and 2020-21 is under review by the Government.

Order Book Position

The order book of the Company as on 1 April 2021 is at around ₹ 53,434 crore. The order book comprises major programmes like Long Range Surface-to-Air Missile System (LRSAM), the Akash Missile Systems, Command & Control System, Battle Field Surveillance Systems, Fire Control Systems, Software Defined Radios, Coastal Surveillance Systems, Advance Composite Communication System, Naval Systems, Electronic Warfare Suite etc.

Finance

During this year, your Company has declared a dividend of 400% compared to 280% in the previous year. Apart from the final dividend of ₹ 34,112 lakh (140%) for the year 2019-20 which was paid out in 2020-21, the interim dividend(s) amounting to ₹ 68,225 lakh (280%) has been paid during the year 2020-21.

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. It has retained highest rating by ICRA for both short term and long term borrowings.

The inventory position (net) of the Company as on 31 March 2021 was ₹ 4,95,467 lakh compared to ₹ 3,96,275

lakh as on 31 March 2020. This works out to 130 days of value of production as on 31 March 2021 against 117 days in the previous years.

The position of trade receivables (net) as on 31 March 2021 was ₹ 6,55,154 lakh compared to ₹ 6,73,291 lakh as on 31 March 2020. This works out to 173 days of turnover as on 31 March 2021 against 195 days of turnover achieved during the previous year. The decrease in trade receivables was mainly on account of the special efforts put in for collection of debtors during the 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 lakh as on 31 March 2021. Out of this, 34 deposits amounting to ₹ 36.50 lakh have not been claimed or have not been paid as these accounts were frozen on the advice of the Karnataka Lokayukta. The remaining matured deposits of ₹ 0.45 lakh as on 31 March, 2021 is unpaid due to insufficient documents/records produced by the Depositors.

Research & Development

The Company's R&D Philosophy is to enhance its pre-eminence in products / services for Defence and for professional electronics through Research & Development (R&D). The Company's R&D wing strives for development of new products built with cutting-edge technology modules. While meeting customer requirements, the products developed by the Company are state-of-the-art and competitive with the highest levels quality.

Research and Development (R&D) has been the core strength of BEL, while enhancing the efficiency and relevance of R&D through in-house and collaborative R&D modes are top priorities. Various divisions of BEL are involved in the development of Strategic Components, Technology Modules, Subsystems, Products, Systems and Systems of Systems.

BEL has a three-tier R&D structure, namely, the Central Research Laboratory (CRL), the Product Development and Innovation Centre (PD&IC) and the Development and Engineering (D&E) groups attached to the Strategic Business Units (SBUs) / Units. All the R&D centres of BEL, as certified by the Department of Scientific & Industrial Research (DSIR) are located across India; D&Es at each of the SBUs and Units are at Bengaluru, Chennai, Ghaziabad, Hyderabad, Kotdwara, Machilipatnam, Navi Mumbai, Panchkula and Pune, the PD&IC at Bengaluru and the CRLs at Bengaluru and Ghaziabad. The R&D Labs (CRL/PD&IC/D&E) work in the identified technology and product areas, based on three-year R&D plans and after due approval of budget/time by competent authorities.

Apart from the in-house efforts, BEL R&D engineers are collaborating with DRDO, ISRO, CSIR, other research laboratories, national and international academia, research institutes, OEMs/industry, experts/consultants, MSMEs and start-ups through collaborative R&D in niche technologies. BEL has created an ecosystem to co-create products / solutions in many business segments.

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 2020-21: Several R&D projects have been initiated during the year 2020-21 both through in-house developments and collaborative efforts (mainly with the DRDO). Major projects initiated in 2020-21 are Communication ESM for Project Himasravan, Entities for Project Shatrughat and Samaghat (S&S), Multi-Function Radar for Vertical Launch Short Range Surface to Air Missile (VLSRSAM), Software Defined Radio (SDR-D, V/UHF manpack), SSPA based X-Band Doppler Weather Radar, Weapon Systems and Airborne Fire Control System for firing of Light weight Torpedoes from Helicopter.

D&E Projects Realised During 2020-21: Some of the major projects realised / completed during the year 2020-21 are Systems for Akash-NG, Compact Tracking Radar for Lynx U2 Gun Fire Control System, technology modules for Multi Target Tracking Radar, Integrated Air Command and Control System (IACCS) Batch 2, Variants of Software Defined Radios, Low profile Ku Band Satellite communication on the move (SOTM) mobile terminal, Combat Management System for P-15B class of ships, Electronic Counter Measure (ECM) Jammer MK-III and Digital Beam Former for 3D E/F Band Airport Surveillance Radar (ASR).

Important R&D awards /recognitions received during year are: the SODET Awards for the years 2018-19 and 2019-20 in the categories of Technology Innovation and Technology Development and the 'SKOCH Award 2020' for Excellence in Digital India/Use of ICT for 'BEL e-Sammelan Tool (BEST)'.

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

1. Compact Tracking Radar for Lynx U2 Fire Control System
2. Train Simulator for Mumbai Monorail
3. Un-cooled Thermal Imager (UTI) for Sniper Rifle
4. Four AI enabled projects:
   a. AI enabled gesture recognition for surveillance applications
   b. AI enabled automatic information extraction & synthesis
   c. AI based Traffic Analytics Module
   d. AI enabled activity inference for enemy target using templating for air operations (C4I)

BEL R&D Cell at Kochi has realised core technology modules for sonar and simulators. BEL R&D Cell at IIT Madras Research Park is developing core technology modules for 5G communication systems.

New products developed through in-house / collaborative development efforts during the year 2020-21 are as follows:

1. **Low profile Ku Band SOTM:** Satellite communication on the move is a mobile terminal capable of providing satellite-based communication that supports tracking on the move to maintain the link and offers uninterrupted communication.
2. **Instant Fire Detection and Suppression System (IFDSS):** IFDSS is a digital system for Armoured Fighting Vehicles (AFV) to detect hydrocarbon fuel fire in the crew compartment using IR detectors, Engine compartment using linear thermal detector and automated suppression of fire, jointly developed with the DRDO.
3. **Indigenous ASR-MSSR:** Airport Surveillance Radar (ASR) is co-mounted with Mono-pulse Secondary Surveillance Radar (MSSR) which provides surveillance data for seamless Air Traffic Control application with location of targets and weather of interest detected within surveillance region.
4. **Battle Field Surveillance Radar (Upgrade):** BFSR is lightweight, man-portable and effective against detection and tracking of crawling man, single man, group of men and small, medium and large vehicles, upgraded for extended range, Thermal Imaging Camera integration and Artificial Intelligence based automatic classification of targets.
5. **Compact Tracking Radar (CTR) for Lynx U2 GFCS:** CTR is the indigenous tracking X-Band Radar with autonomous search and surface target tracking for LYNX U2 Gun Fire Control System.
6. **Combat Management System for P-15B class of ships:** The CMS system has enhanced features and capabilities for connecting sensors and weapon systems onboard ship (P15B class) to provide common operational and tactical picture with Navigation and Surveillance, Surface Warfare, Aircraft/Helicopter Control, Anti-Submarine Warfare, Anti Air Warfare, Electronics Warfare and Data Link Functions.
7. **Anti-Submarine Warfare (ASW) Fleet functionalities for CMS-17:** Anti-Submarine Warfare (ASW) fleet functionalities for CMS-17 Combat Management System developed jointly with Weapons and Electronics Systems Engineering Establishment (WESEE) and interoperable with other Ships with CMS ASW fleet.
8. **Advanced Composite Communication System (ACCS) for P-17A:** ACCS is an IP based highly flexible integrated communication system to provide quick and reliable communication over VLF/MF/HF/V/UHF and Satcom bands onboard ship (P17A class) for facilitating ship-to-ship, ship-to-shore and ship-to-air communications.
9. **Composite Communication System (CCS) MK-II:** CCS MK-II system for submarine provides control and monitoring subsystem and associated equipment for meeting primary external communication needs on board submarines, with respect to communicating strategic commands, operation of tactical circuits, supervisory, diagnostic and other miscellaneous services.
10. **Electronic Counter Measure (ECM) Jammer MK-III:** Counter Radio Controlled Improvised Explosive Devices (RCIED) equipment has smart cell phone jamming techniques to protect VIP / Army convoys.
11. **Digital Beam Former for 3D ASR:** Programmable digital beam former for 3D Airport Surveillance Radar (E/F Band) has multi-channel processing to detect targets in elevation.

12. **Variants of Software Defined Radios:** Software Defined Radios supporting both voice and data operations to cater communication needs of network-centric warfare operations with different variants like SDR-Naval Combat, SDR-Manpack, SDR-Hand Held, Airborne SDR-AR, HF/VHF 100W Radio for Low Intensity Conflict Electronic Warfare system, intended for ship, shore and airborne deployments, jointly developed with DRDO.

13. **Samyukta Electronic Warfare Non-Communication entities:** Mobile integrated Electronic Warfare system to carry out Search, Monitoring, Analysis, Direction Finding, Location Fixing and Jamming functional operations jointly developed with the DRDO.

14. **Re-engineered RAWL-02-MK-II-A Radar:** The re-engineered systems are RF digital hybrid receiver, compact data and processing unit, profile based Radar operation, with a compact chiller and an improved Radar Controller for RAWL-02-MK-IIA Radar.

15. **IFF MK-XII(S) Interrogator:** Interrogator for Identification Friend or Foe MK-XII(S) is realised for Weapon System.

16. **Integrated Air Command and Control System (IACCS):** Integrated Air Command and Control System (IACCS) Batch 2 provides additional level of redundancy from Standby Node to Sub-Node in case of failure of Main Node, war gaming like functionality and simulators.

17. **Panoramic Night Vision Goggles (NVG):** Light weight Aviation Goggles for surveillance application designed to enable full view of the scenario without moving head and to provide an exceptional depth perception.

18. **Artillery Combat Command and Control System (Shakti) Phase III:** ACCCS system automates and integrates all Artillery operational functions and provides Decision Support at all levels of artillery command, from Command down to battery/guns in a networked environment with inbuilt graded secrecy for communication.

19. **Coastal Surveillance System (CSS) Phase 2:** CSS subsystems for radar stations, mobile stations and data centres, including features like decision support and record-replay are realised for the Indian Coast Guard (ICG).

20. **Encryptors:** Link Encryptor for Versatile Environment (LIVE) MK-II and Secure Multi Interface Link Encryptor (SMILE) MK-II are developed to secure sensitive data transmitted over high-speed Links.

21. **Adaptive Traffic Control System (ATCS):** System developed to monitor real time traffic conditions to improve signal timing, using Adaptive Traffic Control in smart cities, installed across the city, depending on the real time traffic condition from a central location, provides green corridor synchronisation, ambulance/VIP for free flow movement.

22. **Electric Gun and Turret Drive System:** The Electric Gun and Turret drive system for Armoured Fighting Vehicles (AFV) in traverse axis and elevation axis based on brushless drive and gun stabilisation is developed to replace the hydraulic drive system.

23. **Containerised Mobile Water Purification System:** Transportable containerised system to purify water having high turbidity, total dissolved solids, bacteria, virus and iron content, into product water in conformance to the BIS standards.

24. **Batteries:** Li-ion batteries are realised for two-wheeler electric vehicles (EV), three-wheeler electric vehicles (EV) and e-Bicycles.

25. **Simulator for Weapon System:** Operator training system with classroom-based simulator to train Weapon System operators.

26. **Train Simulator for Mumbai Monorail:** Train Driving Simulator for Mumbai Monorail with complete mock-up of driver compartment with visual display system for 3D Terrain, 3D Visualisation and dashboard with real controls and indicators, Instructor Station, data for performance evaluation of trainees and record replay of exercises.

27. **Motion-based Vehicle (bus) Driving Simulator:** Bus Driving Simulator with Motion Platform for Bangalore Metropolitan Transport Corporation (BMTC) with complete mock-up of bus driver cabin with controls mounted on a 6 DOF motion platform, supporting 3D Terrain and 3D Visualisation, Instructor Station, data for performance evaluation of trainees and record replay of exercises.

Future Plan of Action: Plan to scale up R&D for innovative products / services across the organisation to align with the objective of growth and transformation. All the tiers of R&D, D&Es, PD&IC and CRLs will continue to collaborate in identifying new areas of development and complementing each other in addressing the requirements through in-house developments. BEL plans to continue investing in R&D to meet the continuously emerging requirements of its customers as well as for diversification. While a major thrust would be on in-house developments, collaborations with national laboratories, academic institutions, research institutes, industry and the MSMEs will also continue to be strengthened. Focussed technology/product development efforts have been initiated in diversified areas of arms and ammunition, unmanned systems, medical electronics, metro railways, GaN devices, etc. Special emphasis is being laid on AI with targets for specific projects being set and completed every year.

New Facilities Established

Infrastructure enhancement is one of the major objectives of the Company to stay upgraded for global opportunities and to be the best in the business. During the year 2020-21, the Company spent around ₹ 48,000 lakh as part of its capex investment towards modernisation of plant & machinery, test instruments, R&D investments, infrastructure upgradation etc.

Following are some of the major facilities established during 2020-21:

- Advance Torpedo Decoy System (ATDS) Maareech Integration Facility, Bangalore
- Upgradation of Product Development & Innovation Centre (PDIC), Bangalore.

Information Technology (IT) Initiatives:

In SAP various new processes have been introduced for the automation and digitisation. SAP FLM access was not available in all remote offices. CRM file management system is a simplified system to create and approve the files using internet system. For remote offices access is provided for Employee Self Service (ESS).

Asset tracking through the Radio Frequency Identification (RFID) technology has been introduced for tracking existing assets as well as new assets. The process has been integrated with SAP. RFID Tags are generated and affixed physically on all the assets.

Various Cyber Security initiatives are taken like Two-factor authentication using randomly generated Grid Pin has been introduced for internet emails for users logging in from outside BEL premises. This offers protection against hacking of passwords and data leakage while in transit. VAPT for both intranet and internet data centres have been completed. Far-DR for SRM has been setup for e-procurement systems.

Annual Financial statement is being generated from SAP directly from the financial year 2019-20 onwards.

Quality

Quality, technology, innovation are the three guiding pillars of BEL's business initiatives. The Company is committed to the continual improvement through a process approach in line with World-Class Quality Systems. All Units / Strategic Business Units (SBUs) / Common Services Groups (CSGs) are accredited to the ISO 9001 Quality Management System (QMS). Sixteen Units / SBUs of the company have upgraded their QMS to Aerospace Standard, AS 9100D. All units of the Company are committed to the Environment Management System through ISO 14001 Certification. The Ghaziabad unit has upgraded its OHSAS from ISO 18001 to ISO 45001.

Nine units/SBUs/divisions of the Company are certified for Information Security Management System ISMS ISO 27001. Product Development and Innovation Centre (PD&IC) is certified for AS9100D, and Center for Learning and Development (CLD) is certified for ISO 9001:2015 for the first time. During the year SC & US SBU was upgraded from ISO 9001 to AS9100D, and PD&IC received the first ISMS ISO 27001 certificate. Export Manufacturing (EM) SBU received the ISO 13485 Medical Devices QMS certificate for ICU Ventilators and the Ghaziabad unit has upgraded its OHSAS certificate from ISO 18001 to ISO 45001. Test Equipment Calibration and Maintenance departments of Bangalore Complex, Ghaziabad, Panchkula and Navi Mumbai units are certified by NABL in accordance with the ISO / IEC 17025 Standards. Software SBU is certified for CMMi level 5 and also for ITSMS ISO 20000-1. NCS & DCCS SBUs of Ghaziabad, CRL – Ghaziabad, Chennai, Hyderabad units are certified for the CMMi level 3.

Remarkable achievement of the company in this year is moving from 1 SBU, 1 Product Green Channel Certificate to 41 Products, 12 Certificates covering 10 units/SBUs. The European Foundation of Quality Management (EFQM) Model for Business Excellence is being followed in BEL since 2002. BEL has drawn up a roadmap for the deep drive of the new EFQM Model 2019 and identified units for the challenging CII Exim Award.

During the year, 20 senior executives from various units have been trained as 'Six Sigma Black Belts' by the Indian Statistical Institute, Bangalore. Total 535 Six Sigma Projects have been completed during the year 2020-21, resulting in an estimated savings of ₹176 crore to the company. Out of the 30 Six Sigma projects nominated for Regional/National level competitions, 15 received regional level awards and 15 projects received National Level Championships Awards.

The Company has facilitated the involvement of Non-executives in the Quality Movement through Quality Control Circles (QCC). During the year 2020-21, 781 QCC Presentations are made by various QCC teams. Many QCC teams are nominated for national competitions and all are adjudged for various categories of awards. One QCC Team KARANJA from Milcom SBU of Bangalore Complex represented BEL in the International Convention ICQCC 2020, held at Dhaka, Bangladesh virtually, and won the 'Platinum Award'. Around 4464 suggestions have been are awarded in the financial year 2020-21. Selected employees participated in the 31st National Convention conducted by the Indian National Suggestion Schemes' Association (INSSAN).

During the year, Bangalore Complex received the 1st Prize under the Engineering Industry Category in 'Excellence in Suggestion Scheme contest 2019-20' organised by INSSAN.

The Company has been nominated D&E Engineers for Global Certification on Reliability 'Certified Reliability Engineer (CRE)' certification by the American Society for Quality (ASQ). During the year, 45 D&E and Testing Engineers have been certified as CREs. The Company is also nominated D&E Engineers for Design for Six Sigma Green Belt (DFSS-GB) certification by the Indian Statistical Institute. During the year 69 D&E Engineers were certified as 'DFSS Green Belts'. During the year, 24 mid-level and senior executives were trained on 'Business Analytics & Data Management' by the Indian Statistical Institute, Bengaluru.

The Company has been nominated Software Engineers for Global Certification on 'Certified Software Quality Engineer (CSQE)' conducted by the ASQ, and during the year, 18 engineers were certified as CSQEs. During the year, 39 operating level Quality Engineers were certified as 'Certified Quality Engineers (CQE)' by the ASQ.

The Company has also nominated Executives working in supply chain fields, like Purchase, Subcontract, Production control for the Global Certification on "Certified Supplier Quality Professional (CSQP)" by ASQ, and during the year, 8 Executives are certified as CSQP. Certified Manager for Quality and Organisation Excellence (CMQ&OE) by ASQ for senior level executives, is also conducted during the year and 13 Senior executives are certified as CMQ-OE.

MR-SBU of Bangalore Complex won the First Prize, Kotdwara and Panchkula units won the second and the third prizes respectively in the Internal Quality Recognition Award (QRA) 2020.

In order to inculcate a culture of Project Management, training programmes for Project Management Professionals (PMP) are conducted. During the year 99 PMPs are certified by the Project Management Institute (PMI).

This year the Company has conducted the Integrated Customer Satisfaction Survey and captured the holistic perceptions of external customers, right from the ordering phase through execution and the end-user phase with PDCA approach. Questionnaires for the three phases are developed and distributed and customer feedback are received and analysed by external surveying agency, using various analytical techniques. The Company received the Excellence Customer Satisfaction Index of 82.66% with a net promoter score of 51.98, which is commendable in comparison to benchmark companies.

Human Resources

Your Company employed 9,172 people as on 31 March 2021 compared to 9,279 people as on 31 March 2020. Out of these employees, 4,841 were engineers / scientists and 2,001 were women employees. A total of 245 employees were inducted during the year. 38 employees belonging to the Scheduled Caste (SC), 22 employees belonging to the Scheduled Tribes (ST), 67 employees from the Other Backward Classes (OBC) and 21 employees from 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 2021 are as under:

Category of Employees	Executives		Non- Executives	
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
Scheduled Caste	1,060	30	538	25
Scheduled Tribe	368	11	130	17
OBC	1343	39	765	30
Ex-Servicemen	84	-	271	26
Physically Challenged	93	5	110	2

Various training programmes were conducted during the year to enhance competencies in Technical, Functional, Managerial and Leadership areas. Structured Executive Development Programmes 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 a 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 the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the 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 the corporate office to redress complaints relating to sexual harassment. Awareness programmes were conducted across the Company to sensitise employees and uphold the dignity of their colleagues at the workplace, particularly with respect to prevention of sexual harassment. The details of the complaints filed, disposed of and pending during the year pertaining to sexual harassment are provided in the Business Responsibility Report, which forms a part of this report.

Awards and Accolades

Your Company strives to achieve the highest level of quality in all its products by considering consumer insights and by reaching out to consumers. During the year, your Company has received the following various Awards and Accolades:

- Times Ascent's CEO with HR Orientation Award
- International Aerospace Award
- PSE Excellence Award
- The Policy Times' appreciation Award
- SKOCH Award for e-Sammelan Tool
- SKOCH Award for Indigenisation

Other Significant Achievements During the Year:

- BEL has achieved the highest ever turnover in excess of ₹13,500 crore during the financial year 2020-21 despite the ongoing crisis due to Covid-19 pandemic.
- BEL registered a growth of 9.6% over the previous year's turnover.
- BEL has achieved an export turnover of US$ 51.93 million (Major items: Coastal Surveillance System, Communication Equipments, Data Link, IFF-Interrogator, Radar Finger Printing System, TR Modules, Low Band Receiver LRUs etc.)
- ₹15,000 crore worth orders received (major orders include AFNET Performance & Security Enhancement & SATCOM Network, Ventilators including Services, Naval Fire Control System, Software Defined Radio, Advance Torpedo Defence Systems, Digital Mobile Radio Relay etc.)
- Strategic partnerships signed with global players like Beretta Italy, Atlantis South Africa, Rosonboron Export, Russia and Okaya Powertec in the international segment to address the new business opportunities.
- Strategic partnerships with DMRCL, the Airports Authority of India, Texmaco, BPL, IIT Dharwad, the Tamil Nadu Industrial Explosives Ltd (TEL), and several start-ups in the domestic segment towards development of various technologies/products to address business opportunities arising out of the 'Make in India' initiatives of GoI.
- BEL Hall of Electronics was set up at Visvesvaraya Industrial and Technological Museum, Kasturba Road, Bangalore. Exhibits were created as a part of enhancing awareness amongst the student community and the society on Basic Electronics, Digital Electronics and Communications, Electronics in Defence, Imaging Technology and Telemedicine, Virtual Reality, Internet and Milestones in Electronics. The existing infrastructure at the museum is being upgraded as a CSR activity for exhibits showcasing the emerging sciences, technologies and engineering.

Subsidiaries, Joint Ventures and Associates

BEL Optronic Devices Limited (BELOP) is a wholly owned subsidiary of BEL, which manufactures Image Intensifier Tubes. Your Company has made further investment of ₹ 156.58 lakh (64,438 equity shares of ₹ 100/- each at a premium of ₹ 143/- per share) during the year in the equity shares of BELOP, by subscribing to right issue offered by BELOP. BELOP achieved a turnover of ₹ 4,075 lakh for the

year compared to ₹ 3,721 lakh in the previous year. The Profit After Tax (PAT) for the year was ₹ 490 lakh compared to ₹ 301 lakh 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 recorded a turnover of ₹ 3,538 lakh compared to ₹ 4,056 lakh in the previous year. The Profit After Tax (PAT) for the year was ₹ 315 lakh compared to ₹ 334 lakh in the previous year.

The Associate Company GE BE Private Limited [26% shareholding by BEL] continues to perform well. It manufactures CT Max and other latest version X-Ray Tubes. GE BE Pvt. Ltd. recorded a turnover of ₹ 1,22,850 lakh for the year compared to ₹ 1,17,685 lakh in the previous year. The Profit After Tax (PAT) was ₹ 11,673 lakh for the year compared to ₹ 12,369 lakh in the previous year.

The Defence Innovation Organisation (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. With an equity participation of 50% from BEL and 50% from HAL, the Company was formed with an objective of funding innovation in the Defence sector.

In pursuant to provisions of Section 129(3) of the Companies Act, read with Rule 5 of Companies (Accounts) Rules, 2014 (as amended), a separate statement containing the salient features of the financial statement of Subsidiaries/ Associate/ Joint Ventures in Form AOC-1 is appended to the Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, 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 for the year ended 31 March 2021 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act & applicable Indian Accounting Standards and forms part of this report.

Vigilance

The Company's Vigilance Organisation is headed by a Chief Vigilance Officer (CVO), an IAS Officer from the Haryana Cadre (1991 batch). Permanent Vigilance Officers are posted in each of the units and SBUs. Vigilance Committees are formed to look after the Vigilance Administration in the units and SBUs. The unit/SBU Heads are designated as Chairman of the Vigilance Committee. Apart from this, there is also a Vigilance Committee at the Corporate, 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 procurements and processes on a continual basis, conducts regular and surprise inspections and investigates instances of any suspected transactions referred to it. An employee or third party can refer any suspected transaction to the CVO for investigation, which are examined as per the Complaint Handling Policy of the Company. An online Complaint Management System has been made operational and complaints can be filed through the Vigilance Portal on the BEL website.

During the year, 1779 high value purchase orders/ contracts have been reviewed. A CTE Type Intensive Examination has been restructured with the formation of Eleven Intensive Examination teams. The CTE Type of Intensive Examination of 61 high value procurement contracts has been taken up during the year 2020-21. Regular and surprise checks and inspections have also been conducted by the field Vigilance Officers. During the year, 26 complaints, including complaints referred by the CVC/MOD/CBI were received. A total of 35 complaints, including 5 complaints referred by CVC/MOD/CBI were disposed of. Disciplinary action and system/process improvement has been recommended in some cases where lapses were observed. One complaint, which was referred earlier, has been pending with the CBI, Bangalore for detailed investigation.

During the year, 850 Executives and 82 Non-executives were given basic awareness program on Vigilance. 166 Executives and 37 Non-executives working in sensitive areas for more than 3 years have undergone job rotation and the percentage coverage is 92.3%.

The Vigilance Department continues to be certified for ISO 9001/2015 Certification for the vigilance function of BEL. 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:

- E-Procurement - about 96.06% of the procurements, excluding the ToT procurement, long term rate contracts and repeat orders are covered under the 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 lakh in respect of works contracts, service contracts, capital items and non-production items are posted on the website.
- Details of awarded Contracts/Purchase Orders issued on nomination / single tender basis value exceeding ₹5 lakh are posted on the website.
- Purchase and Works Contract Manuals are revised and posted on the BEL website.
- The Complaint Handling Policy and the Whistle Blower Policy are posted on the website.
- Corruption Risk Management Policy is framed and implemented across the Company. The same is posted on the web site.
- Vendors' Directory is posted on the Company's website.
- File Life Cycle Management System (FLM) is fully implemented across the company.
- On line 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 BEL has been continuously endeavoring to bring in transparency, fairness and equality in all transactions and processes of the Company by creating a sense of awareness on the system and procedures through awareness campaigns and training programmes. Some of the key activities that have been carried out during the year are:

a) Bharat Electronics Limited (BEL) has observed Vigilance Awareness Week with the theme 'Vigilant India, Prosperous India' from 27 October 2020 to 2 November 2020 at all its offices across the country by adhering to all the precautionary measures to contain the spread of Covid-19. In the given current situation various awareness programmes and activities were held to keep the spirit of celebrating the Vigilance Awareness Week.

   Due to the pandemic, online lecture programmes, online competitions and other activities were held through video conferencing.

   E-Pledge was facilitated through the BEL intranet, enabling employees to take the E-Pledge. Certificate of appreciation and commitment, issued by CVO/ BEL was downloadable by the employees who have taken the E-Pledge through the BEL intranet. 1940 employees have taken e-pledge.

   Integrity pledge was administered to around 8000 employees in their respective workplaces across all the units.

   Apart from this, employees were provided with a link to the CVC website to take the E-Pledge from the CVC website. SMS on Vigilance Awareness was sent to 14367 active vendors of BEL during the week.

b) Programme on Preventive Vigilance as part of the Mid-Career Training programme was organised at the BEL BAE Academy for Excellence on 22.12.2020. Shri Sanjay Sahay, IPS gave lecture on 'Preventive Vigilance' and 63 officers from different units/SBUs participated.

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 Organisations. In line with the directives from the Ministry of Defence and the Central Vigilance Commission, your Company has adopted the Integrity Pact with all vendors / suppliers / contractors / service providers for all orders / contracts of value ₹ 300 lakh 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. The 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 Dr Parvez Hayat, IAS (Retd.) for monitoring and implementation of the Integrity Pact in the Company. During the financial year 2020-21 the Independent External Monitors (IEMs) reviewed 199 contracts and held three structured meetings with the Chairman & Managing Director.

Procurement from Micro & Small Enterprises (MSEs)

Your Company has been providing an increased thrust on enhancing procurement from Micro & Small Enterprises (MSE) and is implementing the Public Procurement Policy for MSEs as per the guidelines/notification issued by the Ministry of MSMEs. During 2020-21, BEL complied with the mandate of the Government's Public Procurement Policy for MSEs.

BEL has on-boarded on the TReDS Platform, GeM, MSME Sambandh & MSME Samadhaan Portals complying with the Government guidelines. The Company actively participated in various Vendor Development Programmes held across the country. BEL has showcased various items for indigenisation for domestic vendors, including the MSEs on the MoD's Srijan Portal.

BEL's procurement from MSEs is 35% of total domestic procurement during 2020-21 against a mandatory target of 25% as per the Public Procurement Policy for MSEs.

Implementation of Official Language Policy

Your Company is committed to adhere to the Official Language (OL) policy of the Government of India. During 2020-21, despite COVID pandemic challenges, the Company achieved various targets prescribed in the Annual Programme issued by the Dept. of OL, Ministry of Home Affairs (MHA), GoI to transact on official work in Hindi. The efforts made towards implementation of the Official Languages include:

OL Inspections: Committee of Parliament on Official Language conducted OL inspection of RO Delhi on 04.09.2020 and CRL-Ghaziabad on 14.10.2020. Corporate OL audit team conducted 05 OL inspections of its subordinate Units/Offices.

Bilingualisation: All units and offices of the Company including the Corporate Office, are issuing documents in bilingual as per the Section 3(3) of the Official Languages Act, 1963. Usage of Hindi is being encouraged for correspondence and on computers. Individual orders under OL Rule 10 (4) were issued by the CMD to officers/employees who are proficient 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 the OL Portal GARIMA introduced by the OL Dept. of Corporate Office. Quarterly progress reports from units/offices are being received online in SAP. Hindi notings are being written in File Life-cycle Management (FLM). The Company's website is also available in Hindi.

Training and Reporting: A roster is maintained for Hindi language training and computer training, which is updated from time to time. As per the roster, employees were nominated for online training. Quarterly / half yearly reports are sent to the 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 were observed during September in all the units and offices of the Company through the online mode.

Meetings/Workshops: Official Language Implementation Committee (OLIC) meetings, Hindi workshops and technical talks in Hindi were conducted through online mode in all units / offices.

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

The Company won the 'Rajshabha Kirti' (2nd) Award for 2019-20 and the 'Rajbhasha Gaurav' (2nd) Award for 2018-19 by the Dept. of OL, MHA. The Secretary (OL) bestowed a commendation letter for participation in the All-India Online Translation Competition 'Kanthasth'.

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

New Initiatives: A dedicated section for OL has been introduced in the Company's website.

Efforts are in progress to ensure OL implementation and the 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 Act), Your Company has a well-defined mechanism in place to address the provisions of the Act. Your Company has a designated General Manager level officer as a Nodal Officer to oversee the implementation. The requests received are processed by 15 senior personnel, designated as Central Public Information Officers (CPIOs) including the one at the corporate office and one each at the units/ROs. Your Company has a designated General Manager level officer as a First Appellate Authority to dispose of first appeals filed under the Act. In compliance with Government directives, Your Company is successfully processing the applications under the Act, online.

The information to be provided as per Section 4(1) (b) of the Right to Information Act, 2005 has been posted on the Company's website www.bel-india.in

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

Your Company received 313 applications (including 71 transferred by other Public Authorities to BEL) during the period from April 2020 to March 2021, and 10 RTI applications were carried forward from year 2019-20. A total of 290 applications were responded to, including 41 applications that were rejected, out of a total of 323 applications. Your Company received 92 First Appeals during the period, out of which 88 were disposed-off. Quarterly RTI returns for all the four (4) quarters have been submitted to the Central Information Commission.

Meetings of Board and Committee(s)

During the year, nine Board meetings were held and the maximum interval between any two meetings was not more than 120 days. The details of meetings of Board and Committee(s) held during 2020-21 are furnished in the Corporate Governance Report, which forms a part of this report.

Directors & Key Managerial Personnel and their Shareholding

The following changes took place in the Directorate and Key Managerial Personnel of your Company during the financial year:

Sl. No.	Name of the Director	Designation	Date of Appointment	Date of Cessation
1	Mr Koshy Alexander	Director (Finance) & CFO	Not Applicable	31.07.2020
2	Mr Dinesh Kumar Batra	Director (Finance) & CFO	01.08.2020	Not Applicable
3	Mr Mahesh V	Director (R&D)	Not Applicable	31.08.2020
4	Mr Rajasekhar M V	Director (R&D)	01.09.2020	Not Applicable
5	Mr Mukha Harish Babu	Independent Director	Not Applicable	10.09.2020
6	Mr Surendra S Sirohi	Independent Director	Not Applicable	10.09.2020
7	Dr Vijay S Madan	Independent Director	Not Applicable	10.09.2020
8	Dr Amit Sahai	Govt. Nominee Director	Not Applicable	29.10.2020
9	Mr Anurag Bajpai	Govt. Nominee Director	29.10.2020	Not Applicable

Mr M V Gowtama, Chairman & Managing Director, Mr Dinesh Kumar Batra, Director (Finance) and Chief Financial Officer and Mr S Sreenivas, Company Secretary are the KMPs as on 31 March 2021, as defined under the Section 2(51) of the Companies Act, 2013.

Mr Anurag Bajpai, Govt. Nominee Director was appointed as Additional Director w.e.f 29 October 2020 in place of Dr Amit Sahai, who ceased to be Govt. Nominee Director on 29 October 2020. Mr Anurag Bajpai, Additional Director is being appointed as Director on terms as set out in the Notice of the 67th Annual General Meeting.

Mr. Vinay Kumar Katyal, Director (Bangalore Complex), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mrs Shikha Gupta, Director (Other Units) ceased to be Director w.e.f 7 May 2021. Mr M V Gowtama, Chairman & Managing Director superannuated on 30 June 2021.

The Govt. of India vide its letter no.DDP-E0032/2/2020-D (BEL) dated 9 June 2021 and letter no.DDP-E0032/4/2020-D (BEL) dated 11 June 2021 assigned the additional charge for the post of Chairman and Managing Director and the post of Director (Other Units) respectively to Mrs Anandi Ramalingam, Director (Marketing) w.e.f 1 July 2021.

The details of Directors and Key Managerial Personnel (KMPs) who are holding shares in the Company as on 31 March 2021 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

Sl. No.	Name	Designation	No. of Equity Shares Held
3	Mr Vinay Kumar Katyal	Director (Bangalore Complex)	1,263
4	Mr Shivakumaran K M	Director (HR)	1,263
5	Mr Dinesh Kumar Batra	Director (Finance) & CFO	1,263
6	Mr M V Rajasekhar	Director (R&D)	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 2021 and of the profit of the Company for the year ended 31 March 2021;

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 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 the 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 occurred between 31 March 2021 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. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. 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 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 the Ministry of Corporate Affairs (MCA). 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 Corporate Social Responsibility Policy and forms the guiding principle for all our programmes. The Corporate Social Responsibility Policy of BEL is

posted on the Company's website, www.bel-india.in. For other details regarding the CSR Committee, including its composition, please refer to the Corporate Governance Report, which is a part of this report.

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 healthcare, education, rural development, environmental sustainability & vocational skill development.

During the financial year 2020-21, the DPE guidelines for CSR Expenditure stipulate CPSEs to take up focused CSR interventions on the common theme of Health and Nutrition, with preference to Aspirational Districts identified by the NITI Aayog. Accordingly, the CSR budget has been allocated for thematic CSR programmes - thrust being on initiatives that support the Government's concerted efforts in dealing with the challenges arising out of the Covid-19 pandemic. Further, CSR projects that impart technical & employability skill training to the rural youth from economically weaker sections of society are 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 2020-21 is annexed herewith as **Annexure-2**.

Statutory Auditors

Pursuant to Section 139(5) of the Companies Act 2013, for the financial year 2020-21, the Comptroller and Auditor General of India (C&AG) 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 Piramana & Associates, Chartered Accountants, Vijayawada were appointed as Branch Auditors for the Machilipatnam unit.

The Statutory Auditors' Report on financial statements for the financial year 2020-21 and 'Nil' 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, are appended to the Annual Report.

Cost Auditors and Maintenance of Cost Records

Your Company appointed M/s Murthy & Co. LLP, Cost Accountants, Bengaluru, as Cost Auditors of the Company for the financial year 2020-21 for the audit of the cost records of the Company. The Company maintains cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, in respect of its manufacturing activities.

Secretarial 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, Bengaluru for the financial year 2020-21 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 and the composition of the Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee is not in line with Regulation 18, 19 & 20 respectively of the SEBI (LODR) Regulations, 2015 (the Stakeholder Relationship Committee was reconstituted on 31 March 2021 in line with Reg.20 of the SEBI (LODR) Regulations, 2015). It is informed that the appointment of Directors is done by the Govt. of India and filling up of vacancies of the said Independent Directors is also pending with the appointing authority, namely the Government of India.

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 officers or employees, the details of which would need to be mentioned in the Board's Report.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website https://www.bel-india.in/ContentPage.aspx?MId=17&CId=427&LId=1&link=427.

Risk Management

Pursuant to the Reg.21 of SEBI (LODR) Regulations, 2015, the Board of Directors of 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 a part of this report.

Company's Policy on Director's Appointment, Remuneration and 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 as Whistle-Blower Policy to deal with instances of fraud, mismanagement and unethical behaviour, if any. The details of the policy are set out in the Corporate Governance Report.

Declaration from Independent Director(s)

The Company has received necessary declaration from Independent Director(s) 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 Director(s) of the Company meet with the criteria of his 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-4**.

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.

Audit Committee

As on 31 March 2021, the Audit Committee comprises of Mr Sunil Kumar Kohli, Independent Director as Chairman of the Committee, Ms Manjula J and Mr Anurag Bajpai as members. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

Corporate Governance Report

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 with this report as **Annexure-5**.

Sustainability Report

A Report on your Company's efforts on 'Sustainable Development' is attached with this Report as **Annexure-6**.

Business Responsibility Report

The SEBI (LODR) Regulations, 2015 mandated the inclusion of the Business Responsibility Report (BRR) as part of the Annual Reports for the top 1000 listed entities based on market capitalisation. In terms of Regulation 34(2)(f) of Listing Regulations, a BRR for the year 2020-21 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 with this report as **Annexure-7**.

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

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

Compliance with Secretarial Standards

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors place on record their deep appreciation and gratitude for the valuable support received from all the customers, particularly the Defence Services and the paramilitary forces and look forward to their continued support and co-operation in future. Your Directors also place on record their gratitude for the support received from the various Ministries of the Government of India, especially the Ministry of Defence, the 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 effort 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
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Annexure-1

Form No. AOC-II

(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: Not Applicable

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Annexure-2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of BEL is approved by the BoD and is in line with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014. The objective is to contribute to inclusive growth, sustained and equitable development in society through capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

2. Composition of the CSR Committee (during the financial year 2020-21):

Sl. No	Name of Directors	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR committee attended during the year
1	Mr M V Gowtama	Chairman & Managing Director / Chairman	3	3
2	Mr Koshy Alexander (ceased to be Member w.e.f. 31.07.2020)	Director (Finance) & CFO / Member	3	1
3	Mr Surendra Singh Sirohi (ceased to be a Member w.e.f. 10.09.2020)	Independent Director / Member	3	1
4	Mr Mukka Harish Babu (ceased to be Member w.e.f. 10.09.2020)	Independent Director / Member	3	1
5	Mr Shivakumaran K M	Director (HR) / Member	3	3
6	Mrs Shikha Gupta	Director (Other Units) / Member	3	3
7	Mr Dinesh Kumar Batra (appointed as Member w.e.f. 01.08.2020)	Director (Finance) & CFO / Member	3	3
8	Mr Sunil Kumar Kohli (appointed as Member w.e.f. 07.01.2021)	Independent Director / Member	3	2

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the websites of the Company:

- The composition of the CSR committee is available on our website at https://www.bel-india.in/ContentPage.aspx?MId=17&CId=531&LId=1&link=531
- The CSR Policy of the Company is available on our website at https://www.bel-india.in/Documentviews.aspx?fileName=CSR-Policy-31-03-2021.pdf
- The details of CSR projects are available on our website at https://www.bel-india.in/ContentPage.aspx?MId=17&CId=427&LId=1&link=427

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

BEL has been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, for compliance from financial year 2021-22.

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

6. Average net profit of the Company as per section 135(5): ₹ 2,32,390.59 lakh.

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 4647.81 lakh.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: Nil.

(c) Amount required to be set off for the financial year, if any: Nil.

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 4647.81 lakh.

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

Total Amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any specified fund under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
22,79,18,848.67	24,09,27,914.33	30.04.2021	N.A.	Nil	N.A.

(b) Details of CSR amount spent against on-going projects for the financial year:

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	[9]	[10]	[11]	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Provision of Cold-Chain Equipment viz. Deep Freezer (Small) & Walk-in Freezer for COVID-19 Vaccination Programme of Govt. of India.	Item (i) - Healthcare	Yes	Karnataka	Bengaluru	2 years	111,00,000.00	90,71,545.00	20,28,455.00	Yes	N.A.	N.A.
2	Providing Multipara ICU Monitors to All India Institute of Medical Sciences (AIIMS), Rishikesh	Item (i) - Healthcare	No	Uttarakhand	Dehradun	2 years	100,00,000.00	91,80,000.00	8,20,000.00	Yes	N.A.	N.A.
3	Providing Medical Equipment to Govt. Civil Hospital	Item (i) - Healthcare	Yes	Haryana	Panchkula	2 years	58,34,000.00	38,22,794.00	20,11,206.00	Yes	N.A.	N.A.
4	Providing 2 Sanitary Napkin Manufacturing Machines to District Administration	Item (i) - Healthcare	Yes	Haryana	Panchkula	2 years	12,00,000.00	11,18,240.00	81,760.00	Yes	N.A.	N.A.

Annexure-2

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	[9]	[10]	[11]	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of impleme-ntation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registr-ation number
5	Provision of Medical Equipment to Police Welfare Hospital, Machilipatnam	Item (i) - Healthcare	Yes	Andhra Pradesh	Krishna	2 years	10,00,000.00	8,59,800.49	1,40,199.51	Yes	N.A.	N.A.
6	Augmentation of infrastructure & facility maintenance expenses at educational institutions.	Item (ii) - Education	Yes	Karnataka	Bengaluru	3 years	339,78,000.00	280,35,000.00	59,43,000.00	Yes	N.A.	N.A.
7	Provision of UPS to LA Govt. Women's Junior College, Machilipatnam.	Item (ii) - Education	Yes	Andhra Pradesh	Krishna	2 years	3,75,000.00	1,41,600.00	2,33,400.00	Yes	N.A.	N.A.
8	Contribution to Technology Incubator - Maker Village, Kinfra Hi-Tech Park, Kochi	Item (ix) – Contribution to Technology Incubator	No	Kerala	Ernakulam	3 years	40,00,000.00	20,00,000.00	20,00,000.00	Yes	N.A.	N.A.
9	Procurement of Tools & Equipment for adopted Govt. ITI, Noida	Item (ii) – Vocational Skill Development	Yes	Uttar Pradesh	Gautam Buddh Nagar	3 years	36,70,000.00	14,87,694.96	21,82,305.04	Yes	N.A.	N.A.
10	Provision of ICU Cots & Medical PPE Kits to Govt. District Hospital, Machilipatnam	Item (i) - Healthcare	Yes	Andhra Pradesh	Krishna	2 years	3,00,000.00	2,50,880.22	49,119.78	Yes	N.A.	N.A.
11	Mobile Cancer Detection Unit to Lucknow District Administration	Item (i) - Healthcare	No	Uttar Pradesh	Lucknow,	4 years	250,00,000.00	0.00	250,00,000.00	Yes	N.A.	N.A.
12	Mobile Cancer Detection Unit to Govt. Goa Medical College & Hospital, Bambolim	Item (i) - Healthcare	No	Goa	North Goa	4 years	250,00,000.00	0.00	250,00,000.00	Yes	N.A.	N.A.
13	Provision of CT Scanner to Govt. District Hospital, Machilipatnam	Item (i) - Healthcare	Yes	Andhra Pradesh	Krishna	2 years	250,00,000.00	0.00	250,00,000.00	Yes	N.A.	N.A.
14	Construction of Dialysis Unit in Community Health Centre (CHC) at Badvel	Item (i) - Healthcare	No	Andhra Pradesh	YSR District	4 years	199,20,000.00	0.00	199,20,000.00	Yes	N.A.	N.A.
15	Providing Medical Equipment to District General Hospital, Taluk General Hospital, Community Health Centres & Primary Health Centres of Aspirational District	Item (i) - Healthcare	No	Karnataka	Yadgir	3 years	151,00,000.00	0.00	151,00,000.00	Yes	N.A.	N.A.
16	Provision of Toilet Block at Doddabommasandra Lake and Operation & Maintenance of Sewage Treatment Plant, Bengaluru	Item (i) - Healthcare	Yes	Karnataka	Bengaluru	3 years	39,87,000.00	0.00	39,87,000.00	Yes	N.A.	N.A.
17	Providing Haemodialysis Machine to Govt. District Hospital	Item (i) - Healthcare	No	Manipur	Tamenglong	3 years	15,00,000.00	0.00	15,00,000.00	Yes	N.A.	N.A.
18	Provision of Medical Equipment to Community Health Centre, near Nimmaluru Village, Machilipatnam	Item (i) - Healthcare	Yes	Andhra Pradesh	Krishna	3 years	38,69,000.00	0.00	38,69,000.00	Yes	N.A.	N.A.
19	Provision of Blood Storage Refrigerator, Donor Couches etc. to Govt. District Hospital, Machilipatnam	Item (i) - Healthcare	Yes	Andhra Pradesh	Krishna	2 years	12,00,000.00	0.00	12,00,000.00	Yes	N.A.	N.A.

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	[9]	[10]	[11]	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of impleme-ntation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registr-ation number
20	Smart classrooms in 135 Govt. Schools of Aspirational District	Item (ii) - Education	No	Karnataka	Raichur	4 years	419,39,000.00	0.00	419,39,000.00	Yes	N.A.	N.A.
21	Upgradation of "BEL Electronics Gallery" at Visvesvaraya Industrial and Technological Museum (VITM)	Item (ii) - Education	Yes	Karnataka	Bengaluru	4 years	200,00,000.00	0.00	200,00,000.00	Yes	N.A.	N.A.
22	Establishment of Skill Development Centre at Sri Saraswathi Vidyapeetam	Item (ii) - Education	No	Telangana	R R District	4 years	140,00,000.00	0.00	140,00,000.00	Yes	N.A.	N.A.
23	Vocational Skill Development Training at BEL-BG for PU/ ITI/Diploma students in collaboration with CGSCI.	Item (ii) – Vocational Skill Development	Yes	Karnataka	Bengaluru	3 years	49,00,000.00	0.00	49,00,000.00	Yes	N.A.	N.A.
24	Vocational Skill Development Training at BEL-BG for PU/ITI/ Diploma students in collaboration with ESSCI	Item (ii) – Vocational Skill Development	Yes	Karnataka	Bengaluru	3 years	39,00,000.00	0.00	39,00,000.00	Yes	N.A.	N.A.
25	Construction of Check Dams, Provision of Borewells, Solar Water Pumping Systems, Solar Lights and other works at M M Hills Wildlife Sanctuary	Item (iv) – Environm-ental Sustainability	No	Karnataka	Chamaraj-anagar	4 years	168,39,000.00	0.00	168,39,000.00	Yes	N.A.	N.A.
26	Provision of Furniture to Govt. Primary School & Renovation of Govt. Middle School, Maharajpur	Item (x) – Rural Development	Yes	Uttar Pradesh	Ghaziabad	3 years	11,16,000.00	0.00	11,16,000.00	Yes	N.A.	N.A.
TOTAL (in ₹)							**29,47,27,000.00**	**5,59,67,554.67**	**23,87,59,445.33**		N.A.	N.A.

(c) Details of CSR amount spent against other than on-going projects for the financial year:

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implemen-tation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District			Name	CSR Registr-ation number
1	Providing 1300 Dry Ration Kits to migrant labourers in Bengaluru through Bengaluru City Police.	Item (i) - Healthcare	Yes	Karnataka	Bengaluru	23,03,971.00	Yes	N.A.	N.A.
2	Distribution of 3000 Face Masks to the General Public of Panchkula District.	Item (i) - Healthcare	Yes	Haryana	Panchkula	45,000.00	Yes	N.A.	N.A.

[1]	[2]	[3]	[4]	[5]		[6]	[7]	[8]	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
3	Provision of 2000 Ration Kits to COVID-19 Quarantine Centre inmates of Aspirational District.	Item (i) - Healthcare	Yes	Karnataka	Raichur	19,83,540.00	Yes	N.A.	N.A.
4	Contribution to Sardar Vallabh Bhai Patel COVID Hospital, Delhi Cantt, established by DRDO.	Item (i) - Healthcare	No	Delhi	Delhi	100,00,000.00	Yes	N.A.	N.A.
5	Awareness on COVID-related social behaviour norms in Aspirational Districts.	Item (i) - Healthcare	Yes	Karnataka	Raichur & Yadgir	18,32,060.00	Yes	N.A.	N.A.
6	Provision of Quattro TrueNat Machine to Kohima Municipal Council.	Item (i) - Healthcare	No	Nagaland	Kohima	15,48,960.00	Yes	N.A.	N.A.
7	Training of Apprentices under Skill India	Item (ii) – Vocational Skill Development	Yes	Karnataka, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Uttar Pradesh, Haryana, Uttarakhand	Bengaluru, Chennai, Krishna, Medchal Malkajgiri, Pune, Raigad, Ghaziabad, Panchkula, Kotdwara	13,21,05,326.00	Yes	N.A.	N.A.
TOTAL (in ₹)						**14,98,18,857.00**		N.A.	N.A.

(d) Amount spent in Administrative Overheads: ₹ 2,21,32,437.00

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 22,79,18,848.67

(g) Excess amount for set-off, if any: Nil

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

Sl. No.	Preceding financial year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	2019-20	7,90,34,548.28	4,03,05,022.72	-	-	-	7,90,34,548.28
2	2018-19	7,59,00,834.24	4,49,87,266.76	-	-	-	7,59,00,834.24

Sl. No.	Preceding financial year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
3	2017-18	-	4,88,74,730.97	PM CARES FUND	5,45,20,557.03	30.04.2021	0.00
4	2016-17	-	49,25,674.00	-	-	-	0.00
	TOTAL	**15,49,35,382.52**	**13,90,92,694.45**	**-**	**5,45,20,557.03**	**-**	**15,49,35,382.52**

(b) Details of CSR Amount spent in the financial year for on-going projects of the preceding financial year(s):

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Sl. No.	**Project ID**	**Name of the Project**	**Financial year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting financial year (in ₹)**	**Cumulative amount spent at the end of reporting financial year (in ₹)**	**Status of the Project - Completed / Ongoing**
1	BGENV161701	Supply, Installation, Commissioning & Operation of 10 MLD Sewage treatment plant at Doddabommasandra Lake, Bengaluru (Phase-I)	2016-17	5 years	12,03,77,813.39	37,01,347.23	12,03,77,813.39	Completed
2	GDADI161701	Skill India Initiative - Upgradation of Infrastructure in Adopted Govt. ITIs	2016-17	5 years	5,94,40,000.00	12,24,326.77	4,34,32,927.74	Completed
3	BGSBA171801	Developmental works for Tribal colonies in H D Kote, Mysore District, Karnataka	2017-18	4 years	1,56,88,721.62	48,39,852.32	1,56,88,721.62	Completed
4	BGEDU171803	Augmentation of Infrastructure at Govt. PU College, Mathigatta, Tumkur District, Karnataka	2017-18	4 years	1,53,00,000.00	9,09,070.00	1,40,84,177.00	Completed
5	BGEDU171804	Augmentation of Infrastructure at Govt. PU College (High School Section), Turuvekere, Tumkur District, Karnataka	2017-18	4 years	1,65,00,000.00	10,05,607.90	1,40,35,148.40	Completed
6	BGEDU171805	Augmentation of Infrastructure at Govt. Higher Primary School, Karwar, Uttara Kannada District, Karnataka	2017-18	4 years	1,25,33,978.00	1,05,36,499.00	1,25,33,978.00	Completed
7	BGEDU171801	Augmentation of Infrastructure & Facility Maintenance in Educational Institution, Bengaluru	2017-18	4 years	4,24,95,000.00	4,77,314.00	4,13,01,105.00	Completed
8	BGSBA171803	Provision of Water Purifiers, Construction of Toilets, Handwash etc. at Govt. Model Primary School and Govt. High School, Hebbal, Bengaluru, Karnataka	2017-18	4 years	47,00,000.00	2,67,712.06	41,34,310.88	Completed
9	GDSAN171801	Construction of Public Toilets for Nagar Nigam Ghaziabad, Uttar Pradesh	2017-18	4 years	47,00,000.00	2,17,162.56	12,43,482.36	Completed

Annexure-2

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the Project - Completed / Ongoing
10	GDSBA171801	Development works at adopted village Maharajpur, Ghaziabad, UP	2017-18	4 years	1,47,73,675.12	1,47,73,675.12	1,47,73,675.12	Completed
11	KTSAN171801	Construction of Toilet Complex at Grastan Ganj Village, near Sidhabali Temple, Kotdwara, Uttarakhand.	2017-18	4 years	25,00,000.00	73,537.00	24,04,982.04	Completed
12	KTSBA171801	Inclusive and Sustainable Development of Puching (Khebuching) Village, Tamenglong District, Manipur (Phase-I)	2017-18	4 years	1,10,67,000.00	66,70,703.84	1,10,67,000.00	Completed
13	MCADI171801	Upgradation of infrastructure in adopted Government ITI, Nuzvid, Krishna district, Andhra Pradesh	2017-18	4 years	25,00,000.00	16,57,212.91	22,82,086.87	Completed
14	MCRDE171801	Construction of Bituminous Road from NH 65 to Nimmaluru Village, Machilipatnam, Andhra Pradesh	2017-18	4 years	1,65,00,000.00	17,50,735.09	1,51,23,938.48	Completed
15	PKSBA171801	Development works in adopted Village Mandhana, Panchkula, Haryana	2017-18	4 years	54,00,000.00	6,090.00	52,48,724.22	Completed
16	PNADI171801	Developmental works in adopted Government ITI, Mulshi, Pune District, Maharashtra.	2017-18	4 years	52,00,000.00	4,69,261.23	23,95,898.79	Completed
17	PNSBA171801	Developmental works in adopted Villages 'Khubi & Karanjale', Pune district, Maharashtra.	2017-18	4 years	1,87,00,000.00	52,20,297.94	87,31,553.09	Completed
18	COTIC181902	Contribution to Technology Incubator, I-TIC Foundation, IIT-Hyderabad	2018-19	3 years	10,00,000.00	10,00,000.00	10,00,000.00	Completed
19	KTSBA181901	Inclusive and Sustainable Development of Puching (Khebuching) Village, Tamenglong District, Manipur (Phase-II)	2018-19	4 years	29,18,600.00	12,82,044.16	12,82,044.16	On-going
20	BGENV181901	Providing Solar Power Plant, Solar Street Lights, Electronic Equipment and Solar Modules for Educational Institutions	2018-19	4 years	133,00,000.00	4,35,497.00	101,27,273.00	On-going
21	BGSDP181901	Vocational Skill Development Training at CLD/BC in partnership with Electronic Sector Skill Council of India (ESSCI)	2018-19	4 years	39,00,000.00	11,95,608.00	35,91,968.00	On-going
22	BGEDU181902	Providing Solar-based Smart Class Facility In 122 Govt. High Schools & Handwash Facility In 100 Govt. Primary Schools of Yadgir Aspirational District, Karnataka	2018-19	4 years	560,00,000.00	402,95,179.00	403,78,795.00	On-going

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Sl. No.	**Project ID**	**Name of the Project**	**Financial year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting financial year (in ₹)**	**Cumulative amount spent at the end of reporting financial year (in ₹)**	**Status of the Project - Completed / Ongoing**
23	BGHLC181902	Provision of Medical Equipment for 4 Taluk General Hospitals and 6 Community Health Centres in Raichur Aspirational District, Karnataka	2018-19	4 years	556,58,000.00	7,78,939.00	7,78,939.00	On-going
24	BGENV161701	Supply, Installation, Commissioning & Operation of 10 MLD Sewage treatment plant at Doddabommasandra Lake, Bengaluru (Phase-II)	2019-20	4 years	98,89,000.00	112,57,174.78	112,57,174.78	On-going
25	NMSBA192001	Construction of Multipurpose Halls in five Villages of Dhule district, Maharashtra	2019-20	3 years	60,00,000.00	54,73,392.24	54,73,392.24	Completed
26	MCHLC192001	Construction of Drainage in Malayappanpet, Machilipatnam, Andhra Pradesh	2019-20	3 years	32,71,000.00	30,83,582.31	30,83,582.31	Completed
27	KTEDU192001	Augmentation of infrastructure in seven Government Schools of Kotdwara, Uttarakhand.	2019-20	3 years	13,00,000.00	3,46,645.41	12,29,521.55	On-going
28	BGEDU192002	Augmentation of infrastructure & facility maintenance expenses at educational institutions, Bengaluru.	2019-20	3 years	388,11,000.00	112,67,754.00	3,82,67,754.00	On-going
29	BGEDU192003	Augmentation of Infrastructure for Govt. Higher Primary School, Mudhol Taluk, Bagalkote district, Karnataka	2019-20	4 years	188,00,000.00	9,01,701.00	9,01,701.00	On-going
30	KTHLC192001	Inclusive and Sustainable Development interventions for Siaha District, Mizoram	2019-20	4 years	66,00,000.00	22,50,555.64	22,50,555.64	On-going
31	PKEDU192001	Provision of Vehicles for Distribution of Mid-day meals to Govt. Schools in Vrindavan, Uttar Pradesh	2019-20	3 years	55,00,000.00	24,85,713.00	54,76,408.00	Completed
32	BGEDU192001	Augmentation of Infrastructure for Govt. Higher Primary School, Nisrani, Shimoga district, Karnataka.	2019-20	4 years	84,00,000.00	15,34,740.00	15,34,740.00	On-going
33	CHEDU192001	Augmentation of Infrastructure in Govt. Schools of Tamil Nadu	2019-20	4 years	43,91,000.00	17,03,764.34	17,03,764.34	On-going
TOTAL (in ₹)					**60,41,14,788.13**	**13,90,92,694.85**	**45,71,97,136.02**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

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, with milestone-based payments spread across more than one fiscal year. This is also in line with the Companies Act, 2013, Companies (CSR Policy) Rules, 2014 and amendments thereof.

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Annexure-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

[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 (CIN:L32309KA1954GOI000787) (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, 2021, 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 2021 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 Ten (10) Directors consisting of a Chairman who is regular Executive Director (Managing Director), other Six (6) Executive Directors, Two (2) Non-Executive & Non-Independent Directors and One (1) Independent Director as at the 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 eight (8) more Independent Directors.

As per proviso to the regulation 17(1) of the SEBI (LODR) Regulations, 2015, the Company is required to appoint at least one- Independent Woman Director by 1st April 2019. The post of Independent Woman Director became vacant on 22nd December 2019. Since then, the said position is vacant. Accordingly, the Company did not comply with the provision of Regulation 17 of the SEBI (LODR) Regulations, 2015.

Further, the Company is yet to reconstitute the composition of Audit Committee and Nomination & Remuneration Committee owing the vacancies for Independent Directors. This resulted in non-compliance of Regulation 18(1)(b) and Regulation 19(1)(c) respectively.

During the year, the composition of Stakeholders' Committee was not in compliance with Regulation 20(2A). This resulted in non-compliance of Regulation 20(2A) and later the committee has been reconstituted to comply with the Regulation 20(2A).

For the above-mentioned non-compliance, Stock Exchanges 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 was not 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. NSE vide its letter no. NSE/LIST/SOP/0449 dated 22 June 2020 waived off fine levied on the Company for till 31 December 2019 and BSE vide its e-mail dated 12 April 2021 waived off fine levied on the Company till 31 December 2020.

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 except for 2 Board Meeting held on 7 August 2020 & 7 September 2020 which were held with shorter notice, 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: F006680C000500811

Place: Bengaluru
Date: 23 June 2021

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: F006680C000500811

Place: Bengaluru
Date: 23 June 2021

Annexure-4

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 Covid-19 pandemic has triggered the worst global recession in 2020 since the Great Depression of 1930s. This resulted in the drastic decline in global trade, lowering of commodity prices and tighter external financing conditions with varying implications for current account balances and currencies of various countries.

The Indian economy in 2020, experienced a crisis in the form of Covid-19, which forced the Government to resort to lockdowns, thus impacting the various economic and financial activities in the country. This disruption led to the contraction in the economy and the first quarter of the GDP witnessed a significant contraction.

The crisis necessitated a massive stimulus programme, amounting to about 13% of the GDP. The fiscal deficit (FD) also increased from 3.5% to 9.5% of the GDP in 2020-21.

As per the National Statistical Office (NSO), India's real Gross Domestic Product (GDP) is estimated to contract by 7.7% in 2020-21, compared to a growth rate of 4.2% in 2019-20. The advance estimates for FY 2020-21 are expected to stage a resilient V-shaped recovery in 2020-21. After an estimated 7.7% pandemic-driven contraction in 2020-21, India's real GDP is projected to record a growth of 11.0% in 2021-22 and the nominal GDP by 15.4%. However, impact of the 2nd wave of Covid-19 on the economy needs to be gauged in the near future.

India recorded a current account surplus of 3.1% of GDP in the first half of FY 2020-21, largely due to services exports. However, the prospect is dependent on the global Covid outlook for external demand normalisation.

Defence

As per the SIPRI report released in April 2021, the global Defence spending reached US $1981 billion in 2020, a 2.6% annual uplift in real terms compared to 2019 – the highest level since 1988. As a proportion of the GDP, global spending sharply increased from a 2.2% in 2019 to 2.4% in 2020, an increase seen even after most countries in the world experienced severe economic contractions due to Covid-19.

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

Military expenditure in 2020 as a percentage of the GDP in the highest spending countries are Oman (11%), Saudi Arabia (8.4%), Algeria (6.7%), Kuwait (6.5), Israel (5.6%), Russia & Morocco (4.3%), Ukraine (4.1%), Pakistan (4%), United States (3.7%), Colombia (3.4%), Singapore (3.2%), India (2.9%), South Korea (2.8%), etc.

In the context of the serious economic stress, the decline in tax revenue and high fiscal deficit, the hike in Indian budget for Defence was meagre. The regional conflicts and tensions continue to rise creating real and perceived threats to the nation. Also, the geo-political situations in Ladakh & other border areas needed an urgent modernisation of Defence equipment. To counter these threats, more Defence products are likely to be purchased in the South Asian region.

Defence allocation in the budget has been increased to ₹ 4,78,196 crore for the financial year 2021-22, an increase of ₹ 6,818 crore or 1.4% hike in budget. The allocation under capital expenditure, which relates to modernisation and infrastructure development of the Armed Forces has been significantly increased. The Capital allocation of ₹ 1,35,061 crore for FY 2021-22 represents an increase of 18.75% over FY 2020-21. This is the highest ever increase in capital outlay for Defence. The capital expenditure allocated to the Air Force was ₹ 53,215 crore, for the Army ₹ 36,552 crore and the Navy ₹ 33,254 crore.

As a policy initiative, in September 2020, the limit for foreign direct investment (FDI) under the automatic

route was increased from 49% to 74%. The FDI beyond 74% is permitted following Government approval, which is provided for access to modern technology. Domestic companies can benefit from enhanced access to capital and state-of-the-art technology. This change was announced as part of the Aatmanirbhar Bharat Abhiyaan.

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, Medical Electronics & Healthcare Solutions and Software Solutions.

Homeland Security

The Homeland Security market in India is spread across the Central/State Governments, government entities including the PSUs and Private Sector Organisations. A significant market opportunity exists in police modernisation, 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 centralised 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 Ministry of Home Affairs has been allocated in excess of ₹ 1.66 lakh crore in the Union Budget for 2021-22, marginally lower than the allocation of ₹ 1.67 lakh crore in the last Budget.

The total budget allocation for the Union Home Ministry for 2021-22 for the Police Forces (which includes the Central Armed Police Forces (CAPFs) and Delhi Police) is ₹ 1,03,802 crore against ₹ 105,244 crore in 2020-21, marginally lower compared to the last Budget. Out of this ₹ 9,715 crore is allocated for capital expenditure. The CAPFs, which include forces such as CRPF, BSF, ITBP, SSB, CISF and the Assam Rifles, have been allocated ₹ 77,838 crore, almost the same as the last Budget. The Intelligence Bureau has been allocated ₹ 2,839 crore.

Central police organisations such the Narcotics Control Bureau and the National Investigation Agency, among others, have been allocated ₹ 1,000 crore. Police infrastructure expenditure has dropped from ₹ 4,134 crore in the last budget to ₹ 3,612 crore in this budget.

Smart City:

Under the Smart City Mission launched by the GoI in June 2015, 100 smart cities have been selected and all the 100 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 various Smart City projects are under various stages of implementation.

The Smart Cities Mission has been given ₹ 6,450 crore in the 2021-22 Budget against ₹ 3,400 crore in the 2020-21 revised estimates.

As per news reports, out of the proposed 100 smart cities, in 53 cities Integrated Command and Control Centres are functional and many cities are able to effectively leverage technology in improving citizen services, reduction of crime and improve the overall quality of life, especially during this pandemic situation.

The Strategic Business Unit which was formed exclusively to address the Smart City and Homeland Security business, has made significant achievements 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 storage and maintenance free batteries for Defence and strategic applications and also for electric vehicles (EV).

The EV market in India has gained momentum after several policy initiatives such as setting up of a National Mission on Transformative Mobility and Battery Storage, Faster Adoption & Manufacturing of Electric Vehicles EV (FAME II) with an outlay of ₹ 10,000 crore, launching of a Phased Manufacturing Programme (PMP) to localise production across the entire EV value chain, etc. Battery cells currently constitute around 35% of the cost of EVs. India plans to offer $4.6 billion in incentives to companies setting up advanced battery manufacturing facilities as it seeks to promote the use of electric vehicles and cut down its dependence on oil, according to a proposal drafted by the NITI Aayog.

Among the mature storage technologies, lithium-ion (Li-ion) batteries are the most versatile and

efficient storage devices. In addition to lithium ion opportunities, the 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 identified Li-ion cells/ batteries and fuel cells as one of the focus areas and created a dedicated micro SBU to address 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. BEL is collaborating with various Public/Private organisations in this area and has signed an MoU with M/s Triton Electric Vehicle LLC USA for cooperation in Energy Storage Systems and Electric Vehicles.

Solar – Renewable Energy

The Government has set an ambitious target of generating 450 GW of renewable energy by 2030. This includes a target of generating 175 GW of renewable energy by 2022 with a target of 100 GW from solar power. However, the GoI is confident of achieving 225 GW of renewable energy by 2022, breaching the set target of 175 GW. In the Budget for year 2021-22, ₹ 1000 crore has been earmarked for the Solar Energy Corporation of India (SECI) which will enable the SECI to float 15,000 MW of tenders on a yearly basis.

BEL has scaled up its operations from a Cell/ Module manufacturing to execution of solar power plant projects under the Engineering Procurement Construction (EPC) / Developer mode. BEL has created a new Micro SBU for a focused approach to target the requirements of the Solar Business, which is likely to contribute to BEL's business on a continuous basis in the near future.

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 set up by ISRO and BEL is to oversee its complete manufacturing operations.

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 2023-24 onwards. Commensurate with the plans of ISRO, the Department of Space has been allotted a budget of ₹ 13,949 crore for the year 2021-22, which is a growth of 33% from the FY 2020-21 budget. Out of this ₹ 8,228 crore has been earmarked for capital expenditure. This clearly indicates the growing investment in space and India's commitment to the development of its space programme. In addition to this, ISRO has approval for launch of 30 PSLVs and 10 Geo Synchronous Satellite Launch Vehicles (GSLVs) in the 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, Satellite Services 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 2020-21, BEL has responded, as lead bidder with consortium partners, to the RFI for PSLV productionisation among Industry players and has been shortlisted for participation in the RFP. BEL 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. It has completed Satellite AIT of three RISAT satellites at ISRO. BEL has collaborated with ISRO and has come out with new products like the next generation Indigenous Receivers for Positioning and Navigation (IRNSS), Satcom Terminals, LTCC-based Substrates and high power TWTs, which have usage in Defence, Government services and paramilitary applications, in collaboration with ISRO. BEL is jointly working with ISRO for supply and commissioning of various types of satellite networks and HUBs for satellite communication 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 from cyber-attacks. To address the above issues, a cyber security solution requirements range from 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 US $190 billion by year 2025 and the cyber security market in India is estimated to be about ₹ 20,000 crore for next three years.

BEL's Network & Cyber Security division is working in the domain area of network elements and security, computing elements, encryption, security management, data analytics, cyber forensics, security services, etc.

The Network & Cyber Security division has made key progress during the year in implementing a sizeable amount of cyber security business such as Security Analytics Centre (SAC) for premier Central Govt /PSU organisations, Data-Diode Solutions for Defence, PKI, Secure Tokens and associated services for IAF, system hardening for radios, secure computing solutions for Sonars & Radios, timing servers/systems for Navy and Defence, AI & data analytics for Navy and DRDO and security services for Banking/Govt Agencies.

Since its inception, the vertical has diversified and strengthened it by various tie-ups, partnerships and consortiums with start-ups, OEMs, channel partners and Academia. BEL has been empanelled by CERT-In for providing information security auditing services. BEL Network and Cyber security is an ISO 27001 Information security management systems-certified division. Various Cyber Security certifications have been obtained by this group, including CEH, GSEC, ISO 27001 Information security management Lead Auditor etc. The team is also pursuing the Certified Information Systems Security Professional (CISSP) certification to qualify in domestic and global tenders.

Railways and Metro

Indian Railways has prepared a National Rail Plan for India 2030. To enable Make-In-India initiative, the plan is to create a future ready railway system by 2030, bringing down the logistic cost for Indian industries.

The total capital expenditure by Railways for 2021-22 is projected at ₹ 2,15,058 crore, an annual increase of 21% over 2019-20.

There are substantial business opportunities in the Rail and Metro businesses in India. As per the reports, around 34 Metro Rail projects are in construction stage, including nine newly-approved projects in different parts of India.

The modernisation and new projects like National Common Mobility Card (NCMC) compliant Automatic Fare Collection (AFC) Gating system for Metros, Indian Computer-based Train Control/Automatic Train Supervision (ATS), Real Time Information System (RTIS) for Indian Railways, Supervisory Control And Data Acquisition (SCADA), CCTV Radios, LTE based Mission critical communication networks for the Railways, Unmanned Railway Crossing system, Composite Panels for Rail and Metros, etc. are some of the key areas being pursued by BEL.

BEL is collaborating with various public/private organisations in the area of ATS System, Mission Critical Communication System, Composite panel etc. The NCMC-compliant AFC gating system executed by BEL will be implemented across all modes of transportation i.e. Metro, trains or buses in a phased manner.

Composites

The 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 projected to grow from US $74.0 billion in 2020 to US $112.8 billion by 2025, at a CAGR of 8.8%. The demands for lightweight, high-performance, corrosion resistance, long life are some of the key factors which are influencing the growth of the composite business.

BEL is planning to address the composites structures requirements of shipyards, submarines, aero structures, Railways & Metros, land equipment, pressurised missile containers, high altitude enclosures etc.

BEL has set up 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 composite 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. Amidst 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 and is transforming every aspect of the product offerings.

India is one of the leading software development centres in the world and the Indian IT industry is growing at a CAGR of 10.71%. As per reports, the Indian IT industry, comprising software products, IT

services, engineering and R&D services, ITES/BPO, hardware and e-commerce is expected to grow to US $350 billion by 2025. Majority of the revenue comes from exports of software and services.

BEL is pursuing business opportunities with potential customers like the paramilitary 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 the 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, healthcare, software simulators, portal for examinations, software assurance services are also being focused.

Medical Electronics & Healthcare Solutions

The medical device industry is poised for steady growth, with global annual sales forecast to rise by over 5% a year and reach nearly US $800 billion by 2030. BEL, after successfully manufacturing 30,000 ICU ventilators to address the pandemic issues, has taken firm steps in diversifying into the medical electronics & the healthcare segment. Your Company has created a business vertical - 'Medical Electronics Division' - to address the business in this segment. One of the objectives of your Company is to enter the market in this segment and introduce affordable healthcare products/solutions to urban & rural populations in India and achieve Atmanirbhart in the Healthcare segment. The BEL medical electronics division is ISO 13485 certified during this year.

To quickly grow in this segment, a few niche products, indigenously designed by Indian companies, have been identified which can be manufactured at BEL through a ToT process. Also, to grow further in this segment, your Company is planning to come out with its own products for futuristic markets, either through the in-house effort or through collaborative R&D approach. Based on the above approaches, your Company has planned to produce dialysis machines, portable remote patient health monitoring system, patient monitoring system for ICUs, C-Arm X-ray machines, oxygen concentrators, turbine-based ventilator, MRI etc.

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 the 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 US $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/ Start-ups etc. BEL has been working on the Payloads (like EO, Communication, ESM etc.) and Ground Control Station requirements of the UAVs. BEL has also developed Drone Guard Systems.

A separate business vertical has been created at BEL Bangalore, to address the Unmanned Systems Business in a focused manner with dedicated resources.

RF and IR Seekers

BEL is involved with the DRDO for concurrent absorption of technology for further engineering and production of RF and IR Seekers for various indigenous missiles categorised for domestic manufacturing. These Seekers are in various RF and IR spectrum bands.

BEL has been investing for the creation of modern manufacturing facilities for the indigenous manufacture of RF and IR seekers. The production lines creation for RF Seekers has been completed and Seekers manufactured in these lines have successfully completed flight trials during the year.

The requirements for RF and IR Seekers are derived demands arising out of procurement of various Next Generation Missiles. Some of these missiles are also included in the first negative list of import by the Ministry of Defence (MoD).

As per the reports, the global rocket and missile market is projected to reach US $ 71.79 billion by 2027, exhibiting a CAGR of 4.52% during the forecast period (2020-2027).

As BEL is a leading manufacturer of missile systems in India, with the requisite infrastructure and capability and long-term association with DRDO for concurrent absorption of technology, engineering and manufacturing of such systems; it is expected that RF and IR Seekers would be among the top new technology products which would contribute to BEL's revenues in the near future.

Missiles, Arms & Ammunition

Due to the geopolitical situation in the country, there has always been substantial requirement of products in this segment. The demand is primarily met by dedicated Government manufacturing entities set up specifically for this purpose. The balance demand is met with imports from various OEMs etc. To reduce dependency on imports for this critical category of military hardware and achieve self-sufficiency in domestic manufacturing and supply, the Govt. of India has opened up the manufacture of arms and ammunition for the Indian industry. To further assure and enable indigenous manufacturers to plan and create necessary infrastructure, technology/ manufacturing arrangements etc., the Govt. of India has included substantial products from this category in the first negative import list released during August, 2020.

The negative list of products under this category include, Ship borne Cruise Missiles, Beyond Visual Range Air to Air Missiles (BVRAAM), Rockets (Artillery and Anti-Submarine), Assault & Sniper Rifles Multipurpose Grenades, 40mm UBGL (Under Barrel Grenade Launcher), medium and high calibre ammunition for Artillery and AD Guns (120mm FSAPDS Mark II, 125 mm FSAPDS New Generation Ammunition, 30 mm Infantry, 155 mm Artillery Ammunition, 30MM HEI/HET, 23 mm ZU Ammunitions), Bi- Modular Charge System (BMCS), Electronic Fuses for Artillery Ammunitions etc.

The procurement of these items is initiated under various capital / revenue routes including Make-II procedures. It is expected that the renewed focus on indigenous manufacture of these critical military hardware, which are consumable in nature, would create sufficient near to long term market demand for this product segment. This segment also has good export market potential and as per the reports, the Global Arms and Ammunition Market is anticipated to reach US $35.63 billion by 2027 with a CAGR of 4.8%.

In this area, BEL is already engaged in the development and manufacture of missile electronics and parts, ammunition fuzes, Glide Bombs etc. BEL is actively pursuing the opportunities for next generation missiles (through DRDO, DcPP, etc.) and ammunition, including smart ammunition, small arms etc. BEL is also partnering with technology partners, Academia, R&D institutes, start-ups etc. to achieve the intended objective of indigenous manufacture of the required arms and ammunition.

With regard to the creation of the required infrastructure, BEL has been making the required investments for creation of the necessary infrastructure for manufacture of missiles, glide bombs, rockets and its related parts. Substantial progress has been made during the last couple of years in this regard.

(b) Industry Structure and Developments – Macro View

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

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

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

The Defence Acquisition Procedure 2020 (DAP 2020) has been released with several improvements focusing on self-reliance, wherein indigenisation and innovation is enabled through processes of make, design & development and Strategic Partnership. Import substitution has been facilitated through

various schemes with an aim of reducing lifecycle costs and building a robust ecosystem with the help of the domestic industry/ MSMEs.

To promote indigenous Defence manufacturing, the 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. The MoD has released a simplified Make-II procedure to help import substitution and promote innovative solutions. Suo moto proposals can also be submitted under Make-II category.

Foreign Direct Investment (FDI) up to 74% is allowed through the automatic route and above 74% under the Government route, wherever it needs to access modern technology.

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

Two Defence industrial corridors in Uttar Pradesh and Tamil Nadu are 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 crore and ₹ 3,700 crore has been announced for Tamil Nadu and the UP corridors respectively by Ordinance Factories, DPSUs and private companies.

The procedure of 'Make-I' has been simplified and a new 'Make-II' programme has been introduced by the Government which is likely to help MSME and start-up companies to integrate into Defence production. BEL is also participating in many of the Make II programmes of the Defence services.

Toward MoD's big push to Atmanirbhar Bharat initiative, MoD has put Import embargo in Aug 2020, on 101 items beyond given timelines to boost indigenisation of defence production. BEL's Products / Systems can meet about 35% of this negative list of Defence.

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 – Looking Inwards

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 workforce with state-of-the-art infrastructure and manufacturing facilities and quality assurance
- Well established systems and procedures including company wide ERP system.
- Decades of experience resulting in excellent domain knowledge and core competencies in defence electronics
- Wide product range with strong product support network across India.
- Strong relationship with the Armed forces, Defence R&D Labs and Government agencies
- Loyal customer base
- Agility in diversification initiatives
- Active learning from collaborators
- Expertise and 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
- Low value addition in certain projects
- Dependence on DRDO for technology in certain segments

- Dependence on foreign OEMs for certain critical technologies.

Opportunities

- Growing Defence and security needs
- Government's emphasis on Make-In-India and Atmanirbhar Bharat for manufacture of Defence equipment
- Growing Defence budget allocation towards modernisation, upgrade programmes and maintenance repair & Overhaul
- Increased impetus on modernisation of central paramilitary and police forces
- Withdrawal of OEMs from China as a manufacturing base
- Govt. of India push for alternate energy sources (Solar, Electric Vehicle).
- Space segment opening up to industries.
- Modernisation of CPMF, Police, Railways, Airports.
- Growing market for allied non-Defence areas such as Homeland Security, Smart City, 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 favouring the private sector
- Manifold increase in competition from Indian private industry and foreign OEMs including their JVs in the Defence sector
- Procurement of electronic systems under Strategic Partnership Model
- Impact due to Covid-like pandemic
- Disinvestments by the Govt. of India and depleting cash reserves
- Capital restructuring of CPSEs by the Govt. of India.

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

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 and other areas of national importance such as Weapon systems, Surveillance, tracking and multifunction AESA-based radars, naval & airborne applications, Next Generation Electronic Warfare Suites and Counter Measure Systems, Air Defence Systems, including Seekers & Missiles, Unmanned Systems for Land, Air, surface & underwater applications, Anti-Submarine Warfare Systems, Software Defined Radios for Tactical applications, C4I Systems, 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 equipment and related solutions, Energy Storage Products etc.

Many strategic alliances have been formed and other select partnerships are being pursued with Defence laboratories, the Ordnance Factory Board, DPSUs, Academia, Startups, niche technology companies and reputed global OEMs 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 and for Lifecycle Support 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 Programmes, Small Arms for Defence, 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 AFV platforms FICV etc, Satcom Terminals, Navigation Receivers, Composite products, Rail & Metro Solutions, Li-ion Cells, Medical Equipment and solutions 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 customisation 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 customised and deployed an FM-based Passive Radar Demonstrator in Bangalore. A well-equipped Integration and Verification facility for high-end avionics systems set-up is geared to fulfil the offset sourcing in the Defence market. The Company is also involved in providing technical and product support for Air Traffic Management Radars.

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

Technology Upgradation and R&D Challenges

Core technologies required for developing state-of-the-art products and solutions are often not readily available. R&D on core technologies requires constant upgrade for realising solutions with a competitive edge. While it is inevitable to use proprietary technologies, getting locked into a single source for technologies/solutions is a major challenge.

The demands of size, weight, power and quality requirements always push R&D efforts to the edge. At component level, R&D efforts are steered towards meeting newer requirements of SoC, MMICs, highly integrated processor ICs, microwave super-components, etc. At the product level, R&D efforts are towards creating modular, configurable, multifunction and fault-tolerant products. Realising System of Systems needs expertise in systems engineering, project management along with system integration expertise. Obsolescence of critical components, continued dependency on the OEMs and requirement to support the entire product lifecycle are the other critical challenges.

Measures

To overcome the challenge of continuous upgrade of underlying core technologies for all products and solutions across BEL, a 3-tier R&D structure is put in place. At the topmost tier, the Central Research Laboratories (CRLs), each located at Bengaluru and at Ghaziabad, are engaged in blue sky research and applied research in core technology areas of Communication, C4I, Big Data, Network Centric Software, Electronic Warfare, Radio Frequency, Microwave, Power Amplifiers, Antenna, Radar Signal and Data Processing, Image Processing, Electro-Optics and Lasers, SoC, Embedded Smart Computing, Sensors, Networking, Navigation, Artificial Intelligence, Cyber Security, Cloud and Data Analytics, Machine Intelligence, Robotics, Unmanned Vehicles, NMS, DSS, Multi Sensor Tracking and Data Fusion etc.

At the second tier, a centralised Product Development and Innovation Centre (PD&IC) located at Bengaluru, focuses on engineering of core technology modules into products / systems. The core areas are Autonomous Systems, Communication Systems, Crypto Systems, Embedded Systems, Electro-Optics and Lasers, Energy Systems, Engineering Solutions, Radar Systems, RF and Microwave, MMIC, Sonar Systems, Super components, Electronic Warfare, Navigation and Stabilization, Weapon Systems etc.

At the third tier, the Development and Engineering (D&E) divisions operating at all Strategic Business Units (SBUs) and Unit's liaison with end 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 and PD&IC.

The D&E of Software SBU (formerly BEL Software Technology Centre - BSTC) addresses all requirements related to software modules, either directly to the customers or through respective D&Es of SBUs/Units.

In BEL, the challenges are further being addressed through planned R&D initiatives, systems engineering, technology training for R&D manpower, system driven obsolescence management and by leveraging expertise through suitable collaborative R&D partners.

To overcome the challenge of lock-in to proprietary technologies, in feasible areas, the Company develops technology modules/ solutions based on standard protocols and with modular designs which can be evaluated using standard test and measuring instruments. Even when a given Technology Module/ Product/ Solution is built to specification (tailor-made for the Defence forces), they are developed with standard interfaces so that they can be used as plug and play modules in larger systems so that modularity and scalability are 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 the company from getting locked in. The ever-increasing need for low size, weight, power is being addressed through development of a series of miniaturised platforms / products / solutions by optimizing processing performance, packaging and thermal management with standards driven approach. The obsolescence is being addressed through obsolescence management plan by creating alternate sources and indigenisation.

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 2020-21:

- New initiatives taken in the emerging technology areas are Quantum Cryptography, Photonics based Radars and ESM, High-powered lasers, Geospatial Analytics, Image Profiling using LiDARs, 5G communication, OFC based PIDS, 3D imaging using Drones, 400G optical transport, Big Data Analytics, Intelligent process automation, Artificial Intelligence-based detection and navigation etc.
- BEL had initiated development of several Artificial Intelligence-based products some of which are Gesture recognition for surveillance applications, Automatic Information Extraction & Synthesis, Traffic Analytics Module and Activity inference for enemy target using templating for air operations (C4I).
- Efforts are on to enhance collaboration with premier educational institutions and setting up R&D / Innovation cells in select institutions. The Company's R&D Cell at Kochi has realised core technology modules for sonars and simulators. The Company's R&D Cell at IIT Madras Research Park is developing core technology modules for 5G communication systems. Establishing such R&D cells at other campuses is being explored.
- The Company has been vigorously pursuing IPR-related activities. Concerted efforts have resulted in the grant of the following three patents during 2020-21:
  - Doppler-based Classifier for Automated Target Recognition
  - Proportional or Ratio-metric configurable Linear Variable Differential Transformer (LVDT) driver cum signal demodulator Application Specific Integrated Circuit (ASIC)
  - Method for fabrication of Thin-Fin heat sink
- As on 31/03/2021, 13 cumulative patents were granted to the Company. In financial year 2020-21, a total of 162 new IPR applications were filed (Patents: 84, Copyrights: 68, Industrial Design: 7, SICLD: 3). R&D engineers have presented and published 97 papers in reputed conferences/seminars/journals.
- BEL has empanelled 16 new Collaborative R&D partners in FY 2020-21. As on 31/03/2021, cumulative Collaborative R&D partners empanelled are 279 (including 136

MSMEs). The partners have been categorised under R&D solution providers: 31, design service providers: 179, consultants: 36 and production service providers: 39, of which six are empanelled under two categories.

- Technical symposium at Central Research Laboratory, Bangalore was organised online.

New initiatives undertaken by the Company in collaboration with academia:

- Dual Band Antenna for DIRCM catering to both L band (1.2GHz) and Ka band (30GHz)
- Artificial Intelligence-enabled Fake News Detection

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

During FY 2020-21, R&D projects were taken up by BEL and several projects were completed in specific business segments / areas. These include R&D projects in technology areas like Missile Systems, Radars, Electronic Warfare, Avionics, Military Communication, Naval Systems, Sonars, C4I systems, Electro-optics and Laser, Tank Electronics, Gun Upgrades, Civilian Equipment, Homeland Security, Medical Electronics, and components.

The benefits derived are in the form of a major share of revenues generated by the Company in the above business segments. Several technology modules have been developed, some of which have resulted in import substitutions. Some of the BEL solutions have also resulted in export orders received by the Company.

Details of major accomplishments in equipment and components area:

- R&D teams played a crucial role in technology absorption and implementing performance improvements / feature enhancements to CV200 ventilators in addition to indigenisation and in-house development of a large number of critical modules / subsystems and system software in a very short span of time.
- Indigenous - Automatic Train Supervision (i-ATS) subsystem of Communication Based Train Control (CBTC) signalling system of Metro Rail (DMRC) was realised.
- 'e-Chhawani' online portal to provide municipal services to more than 20 Lakh citizens across 62 Cantonment Boards through multi-tenancy central platform was launched.
- Under the AatmaNirbhar Bharat following equipment and components were launched:
  - Linear Variable Differential Transducer (LVDT) Motion Sensing and Feedback Control device, due to its high accuracy of functional parameters, finds applications in Aerospace, Missiles, Solar, Aircraft Engines, Wind energy and Naval systems, and functions in adverse climatic conditions.
  - 1kW Transmitter Aerial Switching Rack (ASR) for Advanced Composite Communication System (ACCS) onboard Indian Naval ship allows switching four High Frequency (HF) Transmitters to four HF Antennas with Antenna Tuning Unit (ATU) in any combination.
- R&D projects which have fetched considerable revenues for the Company (both Defence and Non-Defence segments) include ACCCS (SHAKTI) Phase-III, SDR-Naval Combat, 1KW HF Radio, SRE Phase 1 upgrade, Re-engineered RAWL-02 MK-IIA radar, IACCS Batch 2, Coastal Surveillance System Phase 2 (ICG), Anti Submarine Warfare fleet for CMS-17, IFF MK-XII(S) Interrogator, Simulator to train operators of Weapon System, MRSAM, Panoramic Night Vision Googles (Aviation), Uncooled TI Sights, Instant Fire Detection and Suppression System, LIVE MK-II Encryptors, SMILE MK-II Encryptors, Battery for Two-Wheeled Electric Vehicle and Train Simulator for Mumbai Monorail.
- Some of the major Technology Modules and Subsystems developed indigenously, which have resulted in import substitution are Electrical Power System (EPS) for LRSAM, Receiver Multi-coupler, Compact Tracking Radar X-Band for Lynx U2 Fire Control System, Weapon System Computer, Directing gear, VOIP based VHF Radio communication system and VHF Marine Radio for Coastal Surveillance System, Subsystems for re-engineered RAWL-02-MK-IIA, National Common Mobility Card compliant Electronic Ticket issuing Machines and On-bus fixed Validators, Goniometer Integrated Observation Equipment and VUHF COMINT Receiver.

- R&D projects undertaken by BEL which have resulted in export are Coastal Surveillance System to Myanmar Navy and Seychelles Phase 2.

(e) Diversification / Expansion Plans - New Frontiers

As a diversification strategy, the Company has been exploring opportunities in allied Defence and non-Defence areas for growth, leveraging its strengths & 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 the Company's business is about 15-20% of total turnover. This year, the Company has about 22% of turnover from the non-Defence segment. The Company aims to achieve and maintain revenues of about 20-25% of its turnover from the non-Defence business in the coming years.

The Company has been putting in a continuous effort to enter and address several new areas in both Defence & non-Defence areas for further expanding its business in new markets for sustainable growth.

Some of the areas being focused upon in Defence include: Next Generation indigenous SAM Systems, Airborne Radars, Arms & Ammunition and Explosives, RF Seekers, Imaging Infra-Red (IIR) Seekers, Missile Electronics, Unmanned Systems, Thermal Imaging Detectors for Night Vision Devices, Indian Regional Navigation Satellite System (IRNSS) based Inertial Navigation Systems (INS) and solutions, laser-based Directed Energy Weapons, Helmet Mounted Display Systems (HMDS), Direct Infrared Counter Measures for Aircrafts & Helicopters, Software as a Service, Network & Cyber security, Composites etc.

Some of the areas being focused in the non-Defence include: Solutions for Civil Aviation sector including Air Traffic Controller Radars, Anti Drone systems, Space / Satellite Electronics, space launch vehicles, Satellite Communication Services, space grade Solar Cells, satellite assembly & integration, solar business, Railway and Metro Solutions, software as a service, electric vehicles (Li-ion & Fuel Cells, Charging Stations etc.), Homeland Security & Smart City Businesses, Smart Meters, Atmospheric Water Generator, a range of Medical Electronics & Healthcare solutions (ICU Ventilators, Dialysis Machines, Patient Monitoring System, UV sanitizer, Telemedicine, Medical Simulators, Portable CT Scan, Medical Displays, C-Arm X-ray, Ultra sound and MRI) etc.

BEL has successfully diversified into Electronic Ammunition Fuzes, Missile Seekers, Light Weight Composite Shelters & Masts, Homeland Security & Smart Cities, Network & Cyber Security, Rail & Metro solutions (Real-time Train Information System, Automatic Fare Collection & Gating system for Metro Rail), Intelligent Traffic Management Systems, Energy Storage Products, Solar Power Plants, Cells & Modules, satellite assembly & integration 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 & solutions. BEL has ventured into new business models like Government-owned Company Operated (GOCO), OPEX Model etc. (e.g. Class Room Jammers, X-ray Baggage Inspection Machines etc.) to expand its business by capturing new customer segments. BEL is striving to exploit its dual-use technologies (e.g. SDR, Solar Cells etc.) for expanding the market as well as customisation 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 & services to the new markets and also explore offset opportunities. BEL is also forging partnerships 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:

Due to continuous change in the business, geo political and external environment, the Company is exposed to a variety of risks which are dynamic in nature.

To address these risks comprehensively, BEL has an established Enterprise Risk Management (ERM) framework, across the company. The deployment of ERM is based on the Risk Management (RM) Policy of the Company. Based on the recommendation of the Risk Management Committee (RMC) of the Board, the Risk Management Policy of the Company was reviewed and revised during the year, taking into consideration the requirements of Listing Regulations and changes in the business environment. The revised RM policy is released with due approval of the Board.

The Risk Management Policy outlines the risk management structure, scope & objectives, focus areas of risk, roles and responsibilities of Risk Management Committees at various levels, 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, Product, Cyber Security, Operations, Finance, Human Resources, etc. are also defined in the Policy. Key drivers for the risks in each of the above areas are also elucidated.

The Risk Management framework of BEL has a three-tier structure, with the Board of Directors (BoD) (represented by the RMC of the Board) at the apex level and the Corporate Risk Management Committee (CRMC) at the corporate level and the Unit Risk Management Committees (URMCs) at the SBUs / units /R&D centre level.

The above framework covers all units/SBUs, R&D centres and functional areas of the Company.

The Company level risks are monitored by the CRMC, which is headed by a Functional Director and senior management of corporate at the General Manager level are its members. The URMCs are constituted at each of the units/SBUs/ R&D centres for effective management of risks. The URMCs are headed by the respective heads of SBU/Unit/R&D centres and coordinated by the respective unit/R&D Centre Risk Champions. The URMCs focus on risks specific to their area of operations and carry out risk assessment in their respective operational areas, as an ongoing activity at every quarter and conducts a formal review of risks and suggests mitigation measures. Approval of the mitigation measures are obtained by the URMCs from the Management/Board, as applicable. The URMCs further prioritise and grade their risks as per their assessment in terms of probability and impact. The top risks are reported by the URMCs to the CRMC every quarter. The CRMC analyses the Risk Register received from the URMCs and also the Company-level Risks.

The risks having Company-wide impact, which needs review and advice, are placed before the RMC.

Following review and recommendation by the RMC and approval by the Board (as applicable), these risks are addressed with appropriate mitigation measures. Suitable changes or policies and processes are introduced, if required.

The implementation of mitigation measures are further reviewed by the RMC for compliance and the implementation status reported to the Board.

The risks, which may have a high potential of impact on major projects, investment proposals etc., are referred to the CRMC for review and recommendation of 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 diversification (increase in non-Defence business, product and market diversification), development of in-house technologies through creation of centres of excellence in key technologies, partnerships for co-development, co-production & addressing new business opportunities, including those arising out of the negative list of MoD, indigenisation through partnership with MSMEs/ start-ups and BEL-Make-II policy, comprehensive vendor development, support and evaluation process, etc.

To have a uniform understanding of the ERM in the company, ERM training programmes are periodically organised by the Corporate Human Resources Department for the concerned risk committee members and other stakeholders in the Company, as a continuous activity.

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

3. Indigenisation:

BEL has always been striving to achieve self-reliance through indigenisation efforts through a strong thrust on in-house R&D and indigenisation, outsourcing from Indian industries, fostering public-private partnerships, joint ventures, capacity expansion, infrastructure development/modernisation etc. The list of 100 items identified for indigenisation has been published on the BEL website. Details of about 231 items of high import value are listed on the MoD's indigenisation portal (Srijan) for indigenisation. To enhance procurement through GeM, several categories of items have been earmarked for procurement only through the GeM portal. BEL's test facilities are also being offered to private vendors at nominal rates.

The efforts towards indigenous development of technology and attaining self-reliance in strategic electronics are put in at the D&Es of SBU/Unit. To provide a further thrust on indigenisation, the Company has set up an integrated state-of-the-art Product Development & Innovation Centre (PD&IC) at Bengaluru. The indigenisation efforts not only cover initiatives through in-house R&D, but also through collaborative R&D and joint development with national laboratories, academic institutions, research institutes, industry and MSMEs. Towards the commemoration of the 75th Year of India's Independence and AatmaNirbhar Bharat, BEL organised an interactive webinar titled 'Indigenisation - India@75' on 24 March 2021.

(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 unauthorised use or losses, compliance with regulations, etc. BEL has implemented the 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. Elaborate 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. A 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. Services of external professional audit firms are being utilised to carry out 100% vouching of vendor payments (including travel/medical claims/ reimbursements) in seven units during 2020-21 and it is planned to cover 100% vouching of payments in BG Complex and Ghaziabad also during 2021-22. The Company has a 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 the Comptroller & Auditor General of India (C&AG).

BEL's internal Audit teams are located at major manufacturing units and the Corporate office of the Company which carries out audits as per the risk-based Annual Audit Programme approved by the Audit Committee of the Board. A new centre is also being planned to address the increased volume of transactions in certain regions. 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 the audit to Head of Internal Audit on a periodic basis. The Head of Internal Audit submits his/her reports to the Company's management at various levels for corrective actions and finally submits the report to the Audit Committee of the Board, indicating a 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. During FY 2020-21, a state-of-the-art Data Analytical Tool has been inducted into the internal audit system for monitoring data for identification of outliers, if any.

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. The functioning of the Internal Audit as well as the 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 and policies from time to time and issues directives for compliance to further strengthen the internal control system, keeping in view the dynamic operating environment of the Company.

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 the highest credit rating and to build in risk mitigation strategies in the business processes to minimise exposure to financial risks.

2. **Performance Highlights:**

(₹ in Lakh)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from Operations	14,06,383	12,92,111
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	3,18,112	2,73,013
EBITDA Margin (EBITSA/Revenue from operations [Net])	22.62%	21.13%
Profit After Tax	2,06,542	1,79,383
No. of Days Inventory/Value of Production	130	117
No. of Days Trade Receivables/Turnover	173	195
Current Ratio	1.41	1.45
Debt Equity Ratio	-	0.001

3. **Analysis of Financial Performance of 2020-21:**

- Turnover registered a growth of around 9.6% from ₹ 12,60,776 lakh in FY 2019-20 to ₹13,81,816 lakh in FY 2020-21.
- Value of production increased from ₹12,34,833 lakh in FY 2019-20 to ₹ 13,94,749 lakh in 2020-21. An increase of around 12.95%.
- Turnover per employee increased from ₹135.87 lakh in FY 2019-20 to ₹ 150.66 lakh in FY 2020-21.
- PAT-to-Turnover ratio was 14.95% in FY 2020-21 compared to 14.23% in FY 2019-20.
- Net Worth has increased from ₹ 9,85,294 lakh in FY 2019-20 to ₹ 10,80,789 lakh in FY 2020-21.
- The return on net worth increased to 19.11% during FY 2019-20 compared to 18.21% in the previous year. The main reason for the increase was an increase in the value of production by 12.95%.
- Earnings per share at ₹ 8.48 in FY 2020-21 compared to ₹ 7.36 in FY 2019-20.
- Book value per share is ₹ 44.36 in FY 2020-21 compared to ₹ 40.44 in FY 2019-20.

(D) Development in Human Resources

BEL has been focusing on sustained development of its employees, both at the individual and at the team levels, through various Human Resources development initiatives. To address the learning and organisation development needs, various management development programmes, technology-specific programmes and quality-related programmes are being organised both internally and through premier training institutions for all grades of executives. Some of the learning and development initiatives rolled out during the year are:

Sl. No.	Name of the Programme	About the Programme	Target Audience	Coverage
1	Strategy Building and Competitive Intelligence (SBCI)	Strategizing is an important component for senior executives and strategizing skills are essential to achieve quantum leap in business growth. The program was organized through IIM faculty.	DGM and above Grade Executives	29 Senior Executives attended the programme
2	Enterprise Risk Management (ERM)	To provide a conceptual framework for identifying and mitigating potential business risks, a two-day programme on Enterprise Risk Management was organised.	Managers and above Grade Executives	28 Executives attended the programme
3	Supply Chain Management	Supply chain management is very critical to the success of the business besides being major contributors to the profitability of the company. One Programme on Supply Chain Management was organised through the IIM faculty.	Executives working in Material Management, Production Control, Sub Contracts, Finance and other allied areas.	30 Executives from relevant areas attended the programme.
4	Advanced Programme for Senior Executives (APEX)	Advanced Programme for Senior Executives (APEX) has been conducted with the objective of providing insights into management concepts and techniques, formulating and implementing strategies and to have an overall perspective for better decision-making for Additional General Managers. The programme was organised through the IIM faculty.	Additional General Managers	26 AGMs attended the programme.
5	Young Women Leaders Programme (DEEPSHIKHA)	An exclusive Women Leaders programme to develop the leadership skills for women executives conducted through the XLRI faculty.	Women Executives in the grade of E-II to E-V	45 Executives attended the programme
6	Programme for Awareness on Coaching Essentials (PACE)	Two programmes were conducted to help Executives understand the concepts, methodology and practices in Coaching.	Manager and above Grade Executives	52 Executives attended the programme.
7	Competency Based Interviewing Skills	Competency-Based Interviewing Skills workshop was conducted in two batches to support our Senior Executives who are already involved in the selection process of the new entrants as well as those preparing to take on such a role to conduct an effective interview using the Competency-Based Behavioural Model approach.	Executives who are members of Selection Committees across Units/Offices	63 Executives attended the programme.

Sl. No.	Name of the Programme	About the Programme	Target Audience	Coverage
8	Making of a Global Professional	Making of a Global Professional is a unique course designed and aimed at developing Executives into authentic, dynamic and character-based leaders.	Executives in E-IV and E-V Grade.	43 Executives attended the programme.
9	Business Story Telling	The programme is designed to give insights to participants on storytelling as an art of communication, to achieve business objectives, goal or desired outcome in mind.	Senior Executives in the grade of E-V to E-VII across Units/Offices.	47 Executives attended the programme.
10	Competency Enhancement Programme for Finance Executives	To enhance the knowledge on the financial regulation amongst our Finance Executives, an exclusive Refresher Programme covering topics like GST, Legal and Commercial Terms of Contract, IND-AS and Income Tax and International Taxation was conducted for a duration of 15 hours.	All Executives of Finance Department across Units.	253 Executives attended the programme.
11	Public Procurement Order and Purchase Procedure programme	Public procurement order is an important system for procurement of goods, works and services needed for public programmes and projects. The objective of the programme was to educate the participants on the process/procedure of public procurement.	Executives from Material Management, Sales, Marketing and Finance	360 Executives attended the programme.
12	Programme on Preventive Vigilance	As per the directives of the Government and the Vigilance Department, with an objective of better understanding of the vigilance activities, a programme on Preventive Vigilance was conducted.	Executives across Grades	19 executives attended the programme.
13	Competency Development Programme (CODE)	Online Development Centres (ODC) has been conducted for executives in E-IV and E-V grades to identify the gaps in the competencies based on BEL Behavioural Company Model. Analysing the group reports, identified behavioural competencies has been focused in Competency Development Programme (CODE) for enhancing specified competencies for individual and organisational excellence.	Executives in E-IV and E-V Grade.	280 Executives
14	Labour Laws and Domestic Enquiry Procedures Programme	Legal System and Labour Legislations have a considerable impact on the functioning of industrial establishments. This programme has been conducted for our Executives to be judicious and be aligned with the legal procedures prevalent since there are legal ramifications.	Executives in various grades.	60 Executives
15	Competency Enhancement Training Programme (COMET)	Competency Enhancement Training Programme (COMET) was conducted to enhance specific competencies for Executives after mapping the competencies in E-I to E-III grades, based on BEL Behavioural Company Model, analysing the group reports, identified behavioural competencies.	Executives in E-I to E-III grades.	281 Executives

Sl. No.	Name of the Programme	About the Programme	Target Audience	Coverage
16	Certificate Programme in HR Analytics (CHRA)	Critical decisions in human capital in an organisation are now evidence- based and hence HR Analytics is essential for effective decision making. This programme was conducted for HR professionals to enable a detailed analysis of the policies, practices and procedures of the organisation by utilising the tools and techniques of HR Analytics for strategic alignment.	HR Executives in various grades.	35 Executives
17	Advanced Leadership Programme (ALP)	Assessment Centres are being conducted for senior executives to assess their Behavioural Competencies based on the BEL Behavioural Competency Model. Based on the Group Reports, identified Behavioural Competencies have been addressed in the Advanced Leadership Programme for building these competencies for individual growth and organisational excellence.	Executives in E-VI and E-VIA and E-VII Grade	55 Executives
18	High Impact Trainer (Train the Trainer) (HIT) Programme	The High Impact Trainer Programme is conducted to develop a pool of internal trainers possessing the appropriate competencies required for imparting training in various domains.	Executives in E-IV and above Grades.	55 Executives
19	Assessment and Development Centres Certification Programme (ADCC) (Batch-1 and Batch-2)	Competency-based Assessment and Development Centres programme are being conducted for our Executives to assess their level of leadership competency. This programme enhances the knowledge of our executives for internal capability building; to align with the competency-based development initiatives.	Executives in E-V and above Grades.	33 Executives

In addition to the above the following new initiatives were taken up during the financial year 2020-21:

Sl. No.	Name of the Programme	Brief of the Programme	Target Audience	Coverage
1	Vietnamese Language Programme	The programme is conducted for Executives identified to be posted to Regional Office, Vietnam. The programmes help the participants to be conversant with the local language, to connect well with the customers and understand the available business opportunities, it also helps participants read, write and speak the Vietnamese language.	Executives selected to be posted to Regional Office -Vietnam	2 executives attended the programme
2	People Capability and Maturity Model	BEL Corporate Office and Bangalore Complex have been assessed and benchmarked against 13 key processes in HR with Global best practices and certified for People Capability Maturity Model (PCMM) Level 3 Certification.	Executives of BG Complex & Corporate Office	All Executives

Sl. No.	Name of the Programme	Brief of the Programme	Target Audience	Coverage
3	Competency Based Questionnaire and Online Development Centre	The Company has an Executive behavioural Competency Model comprising of 9 Behavioural Competencies that we intend to foster amongst our Executives. In order to measure the existing levels of these 9 competencies among the Executives and identify the gaps and come with individual development plan, Competency Based Questionnaire for E-I Grade Executives and Online Development Centre for E-II & E-III grade Executives was conducted.	E-I Executives for CBQ E-II to E-III Executives for ODC	2344 Executives in the grade of E-I to E-III
4	Employee Engagement and Satisfaction Survey	A Company-wide Employee Engagement and Satisfaction Survey was conducted in the FY 2020-21 covering 96% of the employees across the company. With a view to improving on certain areas, Focused Group Discussions and Action Planning workshops were scheduled.	All Employees across the Company	8645 Employees across units attended the survey.

Technology programmes to enhance knowledge of our engineers in various technology areas were conducted and Executives were also nominated to External Technology programmes. Some of the programmes are:

a) M.Tech "Microelectronics" (Total 3 M.Techs) from IIT Madras

b) PG Certificate in Management – PGCM (one year) from IIM Kozhikode

c) 31 Certification programmes from NPTEL, ASHRAE, ICAI

d) Certificate Programme in Export Import Management

e) 7 Global Certification programmes of PMI, USA & ASQ

f) Customized Leadership programmes

g) 55+ unique technology programmes

To enhance the technology skills and develop in-house talent in technology areas, BEL Engineers have been nominated for M.Tech Programme at DIAT, Pune.

The following training programmes are organized at the BEL Academy for Excellence:

a) Web-based M.Tech from IIT-Madras on Communication & Signal Processing

b) Web-based M.Tech from BITS-Pilani on Artificial Intelligence

c) Web-based and customised certification programme (4 months duration) from DIAT, Pune on "VHDL-FPGA Design"

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Annexure-5

Corporate Governance Report

Philosophy and Code of Governance

Bharat Electronics Limited's (the Company/BEL) philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, compliances, transparency in decision-making and avoidance of conflicts of interest. The Company gives importance to adopted corporate values and objectives and continuously ensures ethical and responsible leadership at all levels 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 2021.

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 the Board of Directors of the Company has an appropriate mix of Executive Directors represented by Functional Directors, including the CMD and the 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 2021, BEL Board of Directors comprises of seven Whole-time Executive (Functional) Directors including the CMD, two Part-time Government (Non-executive) Directors and one Part-time Independent (Non-executive) Director.

There are eight vacancies of Independent Directors, including one Independent Woman Director as on 31 March 2021. All the vacancies were timely notified to Govt. for filling up and the matter is under consideration of the Ministry of Defence, Government of India.

Meetings and Attendance of Board Meetings

During the financial year ended 31 March 2021, nine Board meetings were held and the maximum interval between any two meetings was not more than 120 days. The Board Meetings were held on 29 May 2020, 29 June 2020, 27 July 2020, 7 August 2020, 7 September, 2020, 6 November 2020, 25 November 2020, 28 January 2021 and 16 March 2021. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other Directorships/Committee memberships held by them as on 31 March 2021 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 30 Sept. 2020	No. of Directorship(s) held *	No. of Committee Membership across all Companies#		Directorship in other listed entity (Category of Directorship)
						As Member	As Chairman	
Whole-Time Functional (Executive) Directors								
1	Mr M V Gowtama	09	09	Yes	02	Nil	Nil	Nil
2	Mrs Anandi Ramalingam	09	09	Yes	03	02	Nil	Nil
3	Mr Koshy Alexander (ceased to be Director w.e.f 31.07.2020)	03	03	NA	-	-	-	-

Sl. No.	Name of Directors	Meetings held during respective tenure of Directors	No. of Meetings attended	Attendance at the last AGM held on 30 Sept. 2020	No. of Directorship(s) held *	No. of Committee Membership across all Companies#		Directorship in other listed entity (Category of Directorship)
						As Member	As Chairman	
4	Mahesh V (ceased to be Director w.e.f 31.08.2020)	04	04	NA	-	-	-	-
5	Mr Vinay Kumar Katyal	09	09	Yes	02	01	Nil	Nil
6	Mr Shivakumaran K M	09	09	Yes	02	02	Nil	Nil
7	Mrs Shikha Gupta	09	09	Yes	01	01	Nil	Nil
8	Mr Dinesh Kumar Batra (appointed as Director w.e.f. 01.08.2020)	06	06	Yes	03	01	02	Nil
9	Mr Rajasekhar M V (appointed as Director w.e.f. 01.09.2020)	05	05	Yes	01	Nil	Nil	Nil
Part-time Government (Non-executive) Directors								
10	Dr Amit Sahai (ceased to be Director w.e.f 29.10.2020)	05	02	No	-	-	-	-
11	Ms J Manjula	09	08	Yes	02	01	01	Nil
12	Mr Anurag Bajpai (appointed as Director w.e.f. 29.10.2020)	04	01	NA	02	01	Nil	Mishra Dhatu Nigam Ltd.- Nominee Director
Part-time Independent (Non-executive) Directors								
13	Mr Mukka Harish Babu (ceased to be Director w.e.f 10.09.2020)	05	05	NA	-	-	-	-
14	Mr Surendra Singh Sirohi (ceased to be Director w.e.f 10.09.2020)	05	05	NA	-	-	-	-
15	Dr Vijay Shankar Madan (ceased to be Director w.e.f 10.09.2020)	05	05	NA	-	-	-	-
16	Mr Sunil Kumar Kohli	09	09	Yes	01	01	01	Nil

None of the Non-executive Directors held any equity shares or convertible instruments and none of the Directors had any relationship inter-se during the year 2020-21.

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 holds directorships in more than ten public companies and none of the Directors of the Company serves as Director or as an Independent Director in more than seven listed Companies. None of the Whole-Time Directors/Managing Director of the Company serves as an Independent Director in more than three listed Companies.

The Company has proper systems to enable the Board to periodically review the 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 a half-yearly periodicity.

Based on the declarations received from the Independent Director, the Board of Directors confirms that the Independent Director fulfils 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.

Skills / Expertise / Competencies of the Board of Directors

BEL is a Government Company and all Directors on its board viz., Functional Directors, Government Nominee Directors and Independent Directors are 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 a well laid out process for each category of Directors.

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 an Independent Director(s), a welcome letter is addressed to Director(s) along with details of duties and responsibilities required to be performed as a Director in addition to the compliances required from him under the Companies Act, 2013, the Listing Regulations and other applicable Regulations. The Management of the Company 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 web-link: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, Bengaluru has issued a certificate as required under the Listing Regulations confirming that none of the Directors on the Board of the Company have 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 2021. The certificate is attached with this report.

Mandatory Committees of the Board of Directors

Audit Committee

The composition of the Audit Committee as on 31 March 2021 is not in line with Section 177 of Companies Act 2013 (the Act), Regulation 18 of the Listing Regulations, and DPE Guidelines. Due to non-availability of the requisite number of Independent Directors on the Board, the Company's Audit Committee consists of one (1) Independent Director and two (2) Non-executive Govt. Nominee 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. The Chairman of the Audit Committee is an Independent Director. The

post of Chairman of the Audit Committee was vacant on the date of the 66th Annual General Meeting of the Company held on 30 September 2020. 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 (except to the extent of exemptions provided to Govt. Companies). The Audit Committee met seven (7) times during the year 2020-21 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;
- Review and monitor 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;
- Review 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;
- Review of 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;
- Review the follow up action on the audit observation of the C&AG audit;
- Carry out any other function as may be referred to the Committee by the Board.

The Composition of the Audit Committee during the year 2020-21 and details of the Members participation at the meetings are as under:

Name of the Members	Category	Position Held as on 31 March 2021	Attendance at the Audit Committee Meetings held on:						
			23 April 2020	29 June 2020	27 July 2020	03 Septe-mber 2020	06 Nove-mber 2020	13 January 2021	28 January 2021
Mr Sunil Kumar Kohli (Appointed as Member w.e.f 31.12.2019 & as Chairman w.e.f 20.10.2020)	Independent Director	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ms J Manjula (Appointed as Member w.e.f 20.10.2020)	Non-Executive Nominee Director	Member	NA	NA	NA	NA	Attended	Attended	Attended
Mr Anurag Bajpai (Appointed as Member w.e.f 29.10.2020)	Non-Executive Nominee Director	Member	NA	NA	NA	NA	Attended	Attended	LA
Mr Mukka Harish Babu (Ceased to be Chairman w.e.f (10.09.2020)	Non-Executive Nominee Director	-	Attended	Attended	Attended	Attended	NA	NA	NA
Mr Surendra Singh Sirohi (Ceased to be Member w.e.f (10.09.2020)	Independent Director	-	Attended	Attended	Attended	Attended	NA	NA	NA

Independent Director | Non-Executive Nominee Director | Chairman | Member

Attended | NA Not Applicable | LA Leave of Absence

Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on 31 March 2021 is not in line with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations due to non-availability of requisite number of Independent Directors on the Board. The terms of reference of the Nomination and Remuneration Committee are as specified in Section 178 of the Companies Act, 2013, Regulation 19 read with Schedule II Part-D of Listing Regulations (except to the extent of exemptions provided to Govt. Companies). Some of the important functions performed by the Nomination and Remuneration 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.

The Nomination and Remuneration Committee met nine (9) times during the year 2020-21. The Composition of the Committee during the year 2020-21 and details of the Members participation at the Meetings of said committee are as under:

Name of the Members	Category	Position Held as on 31 March 2021	Attendance at the Nomination and Remuneration Committee Meeting held								
			27 May 2020	03 June 2020	22 & 23 June 2020	25 July 2020	27 August 2020	05 September 2020	22 & 23 January 2021	05 March 2021	15 March 2021
Mr Sunil Kumar Kohli (Appointed as Chairperson w.e.f 07.01.2021)	Independent Director	Chairman	NA	NA	NA	NA	NA	NA	✓	✓	✓
Ms J Manjula (appointed as member w.e.f 07.01.2021)	Non-Executive Nominee Director	Member	NA	NA	NA	NA	NA	NA	✓	✓	✓
Mr Anurag Bajpai (appointed as Member w.e.f 07.01.2021)	Non-Executive Nominee Director	Member	NA	NA	NA	NA	NA	NA	LA	✓	LA
Mr M V Gowtama	Chairman & Managing Director	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr Surendra S Sirohi (ceased to be Chairman w.e.f (10.09.2020)	Independent Director	-	✓	✓	✓	✓	✓	✓	NA	NA	NA
Mr Mukka Harish Babu (ceased to be member w.e.f 10.09.2020)	Independent Director	-	✓	✓	✓	✓	✓	✓	NA	NA	NA
Dr Vijay Shankar Madan (ceased to be Member w.e.f 10.09.2020)	Independent Director	-	✓	✓	LA	✓	✓	✓	NA	NA	NA

Independent Director | Non-Executive Nominee Director | Chairman & Managing Director | Chairman | Member

✓ Attended | NA Not Applicable | LA Leave of Absence

Remuneration Policy and Performance Evaluation of Directors

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 the 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 the KMPs and Senior Management Personnel are governed by Presidential Directives received from the Ministry of Defence.

The Independent Director(s) reviewed the performance of the Chairman & Managing Director, Functional Whole-Time Directors, Non-Independent Directors and the Board as a whole in a separate meeting of Independent Director(s) held on 21January 2021. An exercise was carried out to evaluate the performance of the Individual Directors, including the CMD on basis of certain important parameters like level of engagement and contribution, exercising independence of judgment, 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 2020-21 is as under:

(Amount in ₹)

Name of Directors	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits and Perquisites	Total
Mr M V Gowtama	Chairman and Managing Director	47,73,584	7,77,805	10,89,572	**66,40,961**
Mrs Anandi Ramalingam	Director (Marketing)	38,89,392	6,10,267	18,53,551	**63,53,210**
Mr Koshy Alexander (ceased to be Director w.e.f 31.07.2020)	Director (Finance) & CFO	24,15,802	-	(9,32,944)	**14,82,858**
Mr Mahesh V (ceased to be Director w.e.f 31.08.2020)	Director (R&D)	22,93,878	-	(5,04,731)	**17,89,147**
Mr Vinay Kumar Katyal	Director (Bangalore Complex)	34,60,278	5,51,843	15,45,152	**55,57,273**
Mr Shivakumaran K M	Director (HR)	39,42,394	5,01,505	9,58,510	**54,02,409**
Mrs Shikha Gupta	Director (Other Units)	38,88,082	3,95,113	9,38,780	**52,21,975**
Mr Dinesh Kumar Batra (appointed as Directors w.e.f 01.08.2020)	Director (Finance) & CFO	22,66,324	3,28,294	12,15,641	**38,10,259**
Mr M V Rajasekhar (appointed as Directors w.e.f 01.09.2020)	Director (R&D)	22,51,327	3,26,017	7,27,094	**33,04,438**

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 2020-21 are given below:

Name of the Independent Directors	Amount (₹)
Mr Mukka Harish Babu	3,20,000
Mr Surendra Singh Sirohi	3,20,000
Dr Vijay Shankar Madan	2,80,000
Mr Sunil Kumar Kohli	6,80,000
Total	**16,00,000**

The Company does not pay any commission to its Directors. The Company has not issued any stock options to its Directors. Apart from receiving the sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-executive Directors had any pecuniary relationship or transactions with the Company during the year 2020-21.

Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee as on 31 March 2021 is in line with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. 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.

Some of the functions performed by the Stakeholders' Relationship Committee include:

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

The Composition of the Stakeholders' Relationship Committee during the year 2020-21 and details of the members' participation at the meeting of the said Committee are as under:

Name of the Members	Category	Position Held as on 31 March 2021	Attendance at the Stakeholder Relationship Committee Meeting held on 13th July 2020
Mr Vijay Shankar Madan (ceased to be Chairman w.e.f 10.09.2020)		-	✓
Mr Shivakumaran K M			✓
Mr Koshy Alexander (ceased to be Member w.e.f. 31.07.2020)		-	✓
Mrs Shikha Gupta			✓
Mr Dinesh Kumar Batra (Appointed as a Member w.e.f. 01.08.2020)			NA
Mr Sunil Kumar Kohli (Appointed as a Member w.e.f. 31.03.2021)			NA
Ms Manjula J (Appointed as a Member & Chairperson w.e.f. 31.03.2021)			NA

Independent Director Executive Director Non-Executive Nominee Director Chairperson Member
Attended NA Not Applicable LA Leave of Absence

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 2021. Following are the details of investors' complaints during the year 2020-21 (SEBI SCORES):

No. Complaints Received	No. Complaints Resolved	No. Complaints Pending
02	02	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,
Email: secretary@bel.co.in

Corporate Social Responsibility Committee

In pursuant to the provisions of Section 135 of the Companies Act, 2013, Rules made thereunder (as amended) and DPE Guidelines, Corporate Social Responsibility (CSR) Committee has been constituted. The salient terms of reference of the CSR Committee include reviewing of the CSR Policy and making it more comprehensive to indicate the activities to be undertaken by the Company as specified under Schedule-VII of the Companies Act, 2013 and the 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 Policy and the activities to be undertaken by the Company;
- Recommending the projects, programmes and amount of expenditure to be incurred on the activities undertaken;
- Reviewing the performance of the Company in the area of Corporate Social Responsibility;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the CSR Committee during the year 2020-21 and the details of members' participation at the meetings of the said Committee are as under:

Name of the Members	Category	Position Held as on 31 March 2021	Attendance at the CSR Meeting held on:		
			14 July 2020	19 January 2021	25 February 2021
Mr M V Gowtama			✓	✓	✓
Mr Koshy Alexander (ceased to be Member w.e.f 31.07.2020)		-	✓	NA	NA
Mr Surendra Singh Sirohi (ceased to be Member w.e.f 10.09.2020)		-	✓	NA	NA
Mr Mukka Harish Babu (ceased to be Member w.e.f 10.09.2020)		-	✓	NA	NA
Mr Shivakumaran K M			✓	✓	✓
Mrs Shikha Gupta			✓	✓	✓
Mr Dinesh Kumar Batra (appointed as Member w.e.f 01.08.2020)			NA	✓	✓
Mr Sunil Kumar Kohli (appointed as Member w.e.f 07.01.2021)			NA	✓	✓

Chairman and Managing Director | Independent Director | Executive Director | Chairman | Member
✓ Attended | NA Not Applicable | LA Leave of Absence

Risk Management Committee

Pursuant to the requirements of Regulation 21 of the Listing Regulations, Board of Directors has constituted a Risk Management Committee with majority of members from the 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 a part of the Management Discussion and Analysis Report.

The composition of the Risk Management Committee during the year 2020-21 and the details of members' participation at the meetings of the said Committee are as under:

Name of the Members	Category	Position Held as on 31 March 2021	Attendance at the RMC Meeting held on 12 January 2021
Mrs Anandi Ramalingam			✓
Mr Koshy Alexander (ceased to be Member w.e.f 31.07.2020)		-	NA
Mr Vinay Kumar Katyal			✓
Mrs Shikha Gupta			✓
Mr Dinesh Kumar Batra (appointed as Member w.e.f 01.08.2020)			✓
Mrs Hemalatha K	(Strategic Planning)		✓

Executive Director | GM | Chairman | Member
✓ Attended | NA Not Applicable | LA Leave of Absence

Independent Directors' Meeting

During the year 2020-21, one meeting of Independent Director(s) was held on 21 January 2021, 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.

Other Non-Mandatory Board Committees

The following Non-Mandatory Board Committees have been constituted:

Research & Development Committee

R&D Committee, comprising the Chairman & Managing Director, 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 comprises of Independent Director(s), Director (Finance), Director (Bangalore Complex) and Director (Other Units) and has been constituted to consider and approve major capital investment proposals.

Share Transfer Committee

Share Transfer Committee comprises 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, the KMPs and Senior Management Personnel have affirmed compliance with

the Code of Business Conduct and Ethics as on 31 March 2021. A declaration to this effect signed by the Chairman & Managing Director is attached with this Report.

Code for Prevention of Insider Trading and Fair Disclosure

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Company has put in place a 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 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 2021. 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, including the 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&CId=527&LId=1&link=527

CEO/CFO Certification

As required under the Listing Regulations and DPE Guidelines, the CEO and CFO certificate is attached with this Report.

Presidential Directives and Guidelines

Your 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 the pay revision of the Board level and below Board level Executives and Non-Unionised Supervisors vide DPE OMs dated 03.08.2017, 04.08.2017 and 07.09.2017.

Subsequently, approval for pay revision of the 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 the Administrative Ministry for issue of Presidential Directive as per DPE guidelines. Accordingly, the Ministry issued Presidential Directive vide letter dated 10.11.2017. Consequent to the issue of Presidential Directive, the 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) and Central Depository Services (India) Ltd (CDSL), and physical holding with the total issued and 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).

DPE Grading

The DPE Guidelines on Corporate Governance for the CPSEs provide that the CPSEs would be graded on the basis of their compliance with the Guidelines. The DPE has graded BEL as 'Excellent' for the year 2020-21.

Transfer to Investor Education and Protection Fund Account

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, all the shares in respect of which the dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

During the year 2020-21, the Company transferred to IEPF an unclaimed/ unpaid amount of interim dividend of 2012-13, final dividend of 2012-13, interim dividend of 2013-14 and unclaimed/ unpaid dividend amount

of two shareholders which was kept in abeyance. The unclaimed/ unpaid final dividend for the year 2013-14 and interim dividend for the year 2014-15 are due for transfer to IEPF during 2021-22. The Company has posted on its website www.bel-india.in in a separate page titled 'Investors – Dividend' 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 IEPF have been uploaded on the website of IEPF as well as the Company.

In respect of dividend/shares which have been transferred to the IEPF, shareholders can claim the same from the IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

General Body Meetings

(a) Location and time, where last three AGMs were held: The details of last three Annual General Meetings are as follows:

Year	Venue	Date & Time
2017-18	The Kalinga Hall, Hotel Lalit Ashok, Kumar Krupa High Grounds, Bengaluru - 560001	25 September 2018 at 03:30 P.M
2018-19	The Kalinga Hall, Hotel Lalit Ashok, Kumar Krupa High Grounds, Bengaluru - 560001	16 September 2019 at 03:30 P.M
2019-20	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	30 September 2020 at 10:00 A.M

(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 Annual General Meeting held on 25 September 2018 and the 65th Annual General Meeting 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 2020-21.

(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

As required under the Listing Regulations, the Company issues a notice in advance, to the Stock Exchanges, of the Board Meetings in which the unaudited/ audited financial results are due for consideration. The quarterly (unaudited) and annual (audited) financial results of the Company are uploaded on the NSE Electronic Application Processing System (NEAPS) and the BSE Listing Centre in accordance with the requirements of Listing Regulations. The approved financial results are published within 48 hours of conclusion of the Board meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region (Kannada), where the registered office of the Company is situated and also uploaded on the Company's website www.bel-india.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 SEBI Regulations including material information having a bearing on the performance/ operations of the Company or other price sensitive information. The official media releases and presentations made to institutional investors/analysts are posted on the Company's website.

In compliance with Regulation 46 of the Listing Regulations, the Company disseminates on its website information which inter-alia contains, details regarding Board of Directors composition of various committees of Board of Directors, code of conduct, policy dealing with RPTs, contact information of the designated officials of the Company responsible for assisting & handling investor grievances and other relevant information.

General Information for Shareholders

Annual General Meeting

Date : 28 September 2021

Time : 10:00 A.M. (IST)

Venue : The 67th Annual General meeting of the will be held through VC / OAVM pursuant to the MCA Circular No.20/2020 dated 05 May 2020 & SEBI Circular No. SEBI/HO/CFD CMD1/ CIR/P/ 2020 /79 dated May 12, 2020 and as such there is no requirement to have venue for the AGM. For more details please refer to the Notice of 67th AGM of the Company.

Financial Calendar 2021-22

Financial Year	:	1 April 2021 to 31 March 2022
First quarter results	:	By first week of August 2021
Second quarter results	:	By end of October 2021
Third quarter results	:	By end of January 2022
Annual Audited results	:	By end of May 2022
Annual General Meeting	:	August/September 2022

Book Closure

From 16th September 2021 to 19th September 2021 (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 2020-21 and 2021-22 to both the stock exchanges.

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, National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL)

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 – 560 003. Telephone: 080-23460815/16/17/18 Fax: 080 23460819 E-mail: irg@integratedindia.in.

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form w.e.f. 1 April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

However, shareholders are not barred from holding shares in physical form. Members holding shares in the physical form are requested to consider converting their holdings to the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).As on 31 March 2021,99.99% of the total equity shares of the Company are held by the investors in dematerialised 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 and NSE. Relevant data of turnover for the financial year 2020-21 is given below:

Particulars	BSE	NSE	Total
No. of shares traded	225896255	3738846869	**3964743124**
Value (₹ in lakhs)	243086	3892887	**4135973**

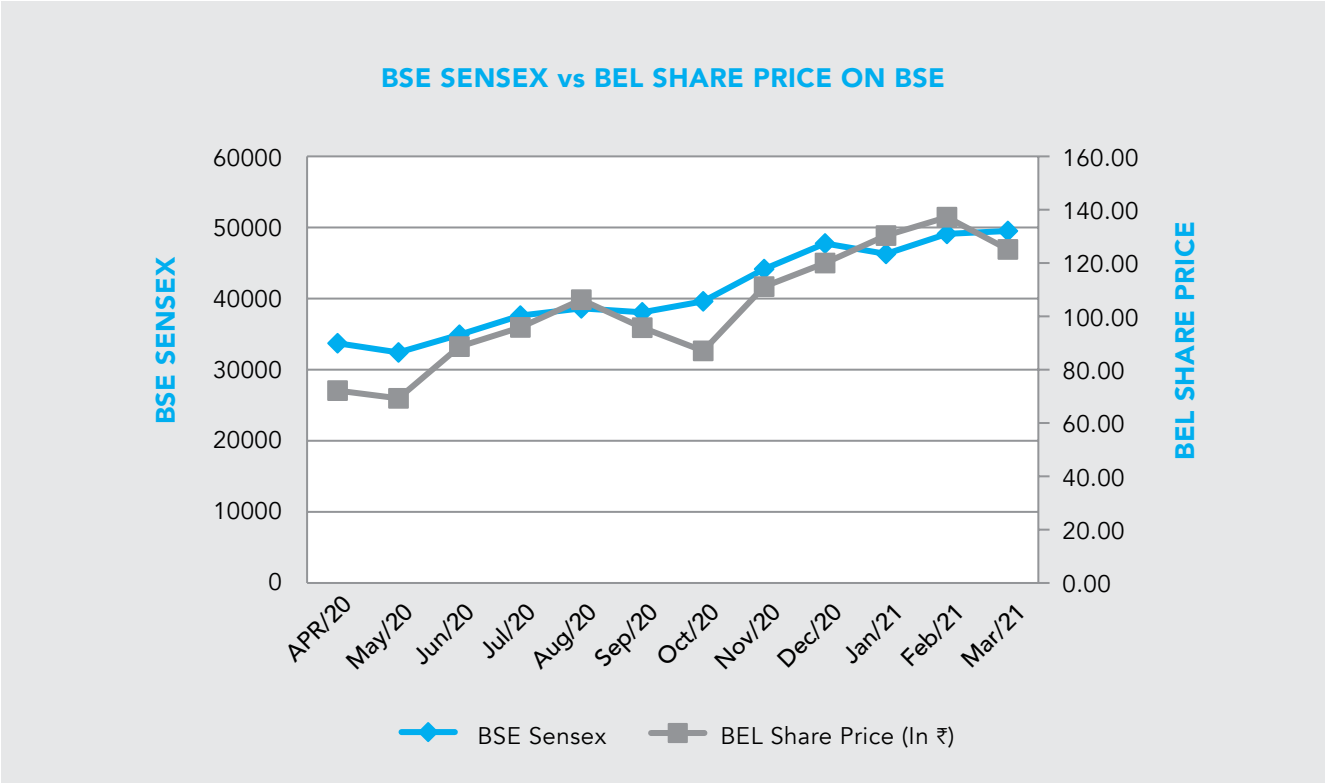
Market Price Data

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, 2020 to March, 2021.

Month	BSE Sensex Close	BEL Share Price			No of Shares Traded	Turnover (₹ in Lakh)
		High (In ₹)	Low (In ₹)	Close (In ₹)		
April 2020	33718	79.10	65.15	72.15	9746813	7086.37
May 2020	32424	71.50	57.75	69.25	17059446	11080.08
June 2020	34916	94.20	67.80	88.65	25631270	20305.91
July 2020	37607	105.40	87.30	95.85	22490201	22029.66
August 2020	38628	118.45	95.00	106.25	26280465	28801.41
September 2020	38068	110.25	89.65	95.75	7892610	8015.53
October 2020	39614	97.60	86.35	87.05	5973875	5500.89
November 2020	44150	113.75	87.20	111.15	15551292	15922.71
December 2020	47751	123.20	106.40	120.00	23666240	27582.84
January 2021	46286	141.00	120.20	130.30	29447018	39038.42
February 2021	49100	143.95	125.65	137.20	21546853	29684.35
March 2021	49509	154.95	115.90	125.10	20610172	28037.54

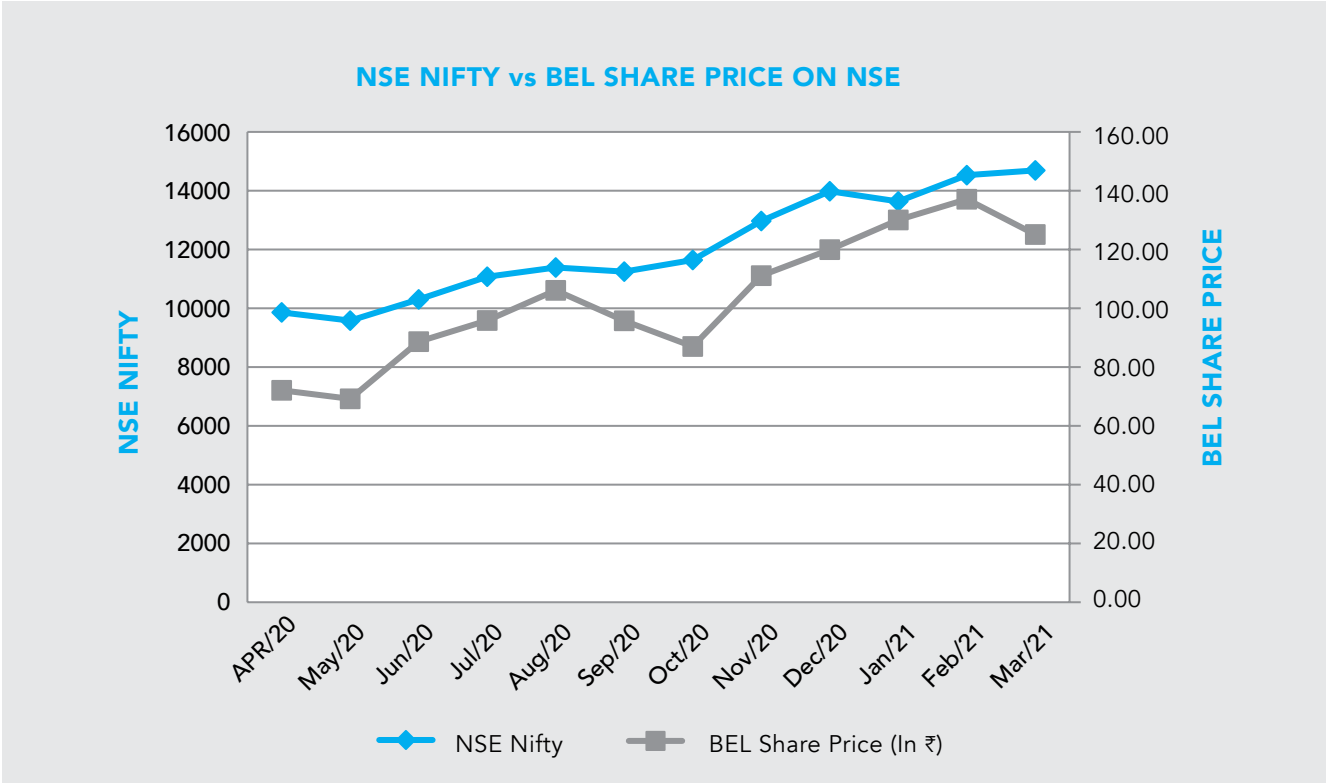
A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX during the year 2020-21 is presented in the following graph:



BEL Share Price on NSE vis-a-vis NSE NIFTY from April, 2020 to March, 2021.

Month	NSE Nifty Close	BEL Share Price			No of Shares Traded	Turnover (₹ in Lakh)
		High (In ₹)	Low (In ₹)	Close (In ₹)		
April 2020	9860	79.10	65.10	72.10	265052432	193452.00
May 2020	9580	71.80	57.75	69.20	329967321	214996.17
June 2020	10302	94.20	67.40	88.65	411510187	326539.04
July 2020	11073	105.40	87.55	95.85	438545562	430786.69
August 2020	11388	118.45	95.05	106.10	386283232	424182.25
September 2020	11248	110.35	89.65	95.75	208920954	210703.13
October 2020	11642	97.60	86.35	87.00	128523087	117790.55
November 2020	12969	113.80	87.25	111.10	225025179	229279.34
December 2020	13982	123.20	106.35	119.95	391449238	456409.49
January 2021	13635	141.00	120.60	130.05	396712687	525134.26
February 2021	14529	143.90	125.60	137.10	265700845	365445.63
March 2021	14691	154.95	115.85	125.10	291156145	398168.50

A comparison of closing quotation of the Company's share price on NSE with the closing position of NSE NIFTY during the year 2020-21 is presented in the following graph:



Category-wise Shareholding Pattern as on 31 March 2021

Sr.	Category	No. of Shareholders	No. of shares	% Holding
1	Central Government	1	1245973978	51.14
2	Mutual Funds/ UTI	150	624563302	25.63
3	Financial Institutions/ Banks	5	9479449	0.39
4	Alternative Investments Funds	9	639163	0.03
5	Insurance Companies	36	91931695	3.77
6	Foreign Portfolio Investors	232	282090974	11.58
7	Provident Funds / Pension Funds	16	9587263	0.39
8	Bodies Corporate	1096	17970118	0.74
9	Individuals	365611	138846782	5.70
10	Trusts	32	1452684	0.06
11	NRIs	6321	7883627	0.32
12	Foreign Individuals	1	506	0.00
13	Clearing Members	382	6150882	0.25
14	Investor Education and Protection Fund Authority Ministry of Corporate	1	22520	0.00
	Total	**373893**	**2436592943**	**100.00**

Top 10 Shareholders (Other than Promoters) as on 31 March 2021 (Based on PAN)

Sr.	Name of the shareholder	No. of Shares	% Holding
1	CPSE Exchange Traded Scheme (CPSE ETF)	119198287	4.89
2	HDFC Trustee Company Ltd. - A/C HDFC Mid - Capopportunities Fund	118441457	4.86
3	Kotak Flexicap Fund	79737270	3.27
4	Mirae Asset Large Cap Fund	79318234	3.26
5	SBI Blue Chip Fund	63996584	2.63
6	Life Insurance Corporation of India	54950589	2.26
7	Franklin India Prima Fund	44347127	1.82
8	ITPL - Invesco India Contra Fund	35239315	1.45
9	Aditya Birla Sun Life Trustee Private Limited	23223665	0.95
10	ICICI Prudential S&P BSE 500 ETF	21007208	0.86

Distribution of Shareholding as on 31 March 2021

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Upto 500	323304	86.47	36405367	1.49
501 - 1000	25346	6.78	19759455	0.81
1001 - 2000	14651	3.92	21129286	0.87
2001 - 3000	3613	0.97	9126079	0.37

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
3001 - 4000	2001	0.54	6995654	0.29
4001 - 5000	1213	0.32	5707393	0.23
5001 - 10,000	2048	0.55	14779373	0.61
10001 and Above	1717	0.46	2322690336	95.33
Total	**373893**	**100.00**	**2436592943**	**100.00**

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, 2021, 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
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 (Credit Rating Agency) has reaffirmed the following credit ratings of the Company for 2021-22:

(i) Long-term rating of [ICRA]AAA (pronounced ICRA triple A) to ₹ 500 crore fund based limits of credit and ₹ 300 crore (Unallocated).

(ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 3,500 crore non-fund based limits of credit.

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 are valid till 12 February 2022.

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 Company, penalties, strictures imposed on the Company by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

The NSE & the BSE have imposed fine for non-compliance with the provision of Regulation 17 (1) - appointment of adequate number of Independent

Directors including one Independent Woman Director, 18(1) – Composition of Audit committee, 19(1)/(2) - Composition of Nomination and Remuneration Committee & 20(2)/(2A)- Composition of Stakeholders Relationship Committee. 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.

(c) The Company has established a vigil mechanism and adopted a 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 2020-21, 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 2020-21 are given below:

Particulars	Amount (₹ in Lakh)
Audit Fees	24
Tax Audit Fees	06
Other Services	10
Reimbursement of expenses	6
Total	**46**

(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 Boards' 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 the 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 2.11% of the total expenses for the year 2020-21 against 3.07% 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 is yet to appoint the adequate number of Independent Directors, including one Women Independent Director as per the requirements of the Companies Act, 2013 and Listing Regulations. Further, the composition of the Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee is not in line with Regulation 18, 19 & 20 respectively of the SEBI (LODR) Regulation, 2015 (the Stakeholder Relationship Committee was reconstituted on 31 March 2021 in line with Reg.20 of the SEBI (LODR) Regulations, 2015). It is informed that all the vacancies were notified to the 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 involves 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 recommendation in the Listing Regulations is as under:

- The Company has the position of the 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 Chairman &Managing Director and is a permanent invitee to the meeting of 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 all mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs except composition of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee (which was reconstituted on 31 March 2021). 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.

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Bharat Electronics Limited
Outer Ring Road, Nagavara
Bengaluru - 560045, Karnataka.

In pursuance of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BHARAT ELECTRONICS LIMITED having CIN L32309KA1954GOI000787 and having registered office at Outer Ring Road, Nagavara, Bengaluru - 560045, Karnataka (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declarations received from the Directors of the Company and according to the verifications (including view Director Master Data & DIN status at the portal www.mca.gov.in) as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2021 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Designation	Date of appointment in Company
1	Mr. M V Gowtama	07628039	Chairman and Managing Director	08/11/2016
2	Mrs. Anandi Ramalingam	07616518	Whole-time Director	16/09/2016
3	Mr. Vinay Kumar Katyal	08281078	Whole-time Director	27/11/2018
4	Mr. Shivakumaran K M	08473589	Whole-time Director	11/06/2019
5	Mrs. Shikha Gupta	08597649	Whole-time Director	01/12/2019
6	Mr. Dinesh Kumar Batra	08773363	Whole-time Director	01/08/2020
7	Mr. M V Rajasekhar	08850171	Whole-time Director	01/09/2020
8	Ms. J Manjula	07684528	Nominee Director	23/04/2018
9	Mr. Anurag Bajpai	08948155	Nominee Director	29/10/2020
10	Mr. Sunil Kumar Kohli	05321549	Independent Director	18/07/2019

For **Thirupal Gorige & Associates LLP**
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680C000500844

Place: Bengaluru
Date: 23 June 2021

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 2021.

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Certificate by CEO & CFO

for the Purpose Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & as Required Under DPE Guidelines On Corporate Governance

To
The Board of Directors
Bharat Electronics Limited
Outer Ring Road, Nagavara
Bengaluru - 560045, Karnataka.

We hereby certify that:

(a) We have reviewed the Standalone Financial Results for the period ended 31 March 2021 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.

Bengaluru
22 June 2021

Dinesh Kumar Batra
Director (Finance) & CFO

M V Gowtama
Chairman & Managing Director

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 2021, 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 Proviso to Regulation 17(1)(a) respectively. Further, the Company is yet to reconstitute the composition of Audit Committee and Nomination & Remuneration Committee owing the vacancies for Independent Directors. This results in non-compliance of Regulation 18(1)(b) and Regulation 19(1)(c) 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.

During the year, the composition of Stakeholders' Committee was not in compliance with Regulation 20(2A) and later the same has been reconstituted to comply with the Regulation 20(2A).

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

Bengaluru
22 June 2021

Annexure-6

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. It has formulated a policy towards sustainable development to fulfil this objective. BEL's Sustainable Development policy is posted on its website: 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 has systematically integrated sustainability into its business operations, developing best practices aimed at a long-term clean and environmentally-friendly environment. All BEL units are committed to maintaining environment-friendly processes and firmly believe that environmental sustainability leads to inclusive growth. BEL sets goals in accordance with the Department of Public enterprises (DPE) guidelines, introducing state-of-the-art technologies to improve environmental performance of products from design to its disposal. All BEL units are actively involved in conserving natural resources such as rainwater harvesting, energy conservation and reduction of waste and is working towards environmental sustainability. BEL goes beyond the obvious ways to improvise performance towards environmental excellence.

Cleaner Technology

The concepts of cleaner technology are practiced in the manufacturing process to prevent pollution. The pursuit of continuous improvement in the introduction of clean technologies in the electronic manufacturing processes is always ongoing. These efforts have largely reduced pollution. 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 incorporated into the design across the company. Corporate Standards regularly reviews, standardised and implements many Restriction of Certain Hazardous Substances (RoHS) elements that comply with European and other international directives. In the continued efforts of the previous year, 36 new RoHS- compliant components have been introduced and 61 standards have been revised, covering areas like electronics / mechanical components and raw materials. In the area of electronic / electrical / mechanical components, six process standards have been revised and have been published with a clause containing guidelines on safety and environmental aspects. A total of 642 RoHS-compliant standards are in place for areas of electronic / electrical / mechanical components. In addition, our D&E team worked on reduction of weight and power consumption by 30% in one of the products namely Weapon Control Computer and Radar Data Processor in one project.

BEL understands that pollution prevention starts at the source, accordingly various improvements and modification have been made to the existing processes. Many RoHS-compliant processes have been introduced in PCB manufacturing and surface treatment activity. This includes low-smoke halogen cables, low-VOC finishing processes (polyurethane) and trivalent chromate conversion coatings, based on chrome. A 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. Further, Corporate Standard has identified new standards for the environmental-friendly automated cleaning process of printed wiring assembly using aqueous-based cleaners replacing the use of Iso-propyl Alcohol.

Emissions to Air

The air emissions are monitored and controlled through suitable Air Pollution Control equipment. The paint booth and the plating baths are operated with a slight vacuum (negative) pressure to extract air emissions from these processes and are arrested in the Air Pollution

Control Equipment. Wet scrubbers are used to treat process emissions before the release of gaseous process emissions. The emission results are well within the discharge standards of the Pollution Control Board and are supported by the ambient air quality measured at various locations in the units. In addition to the air pollution control equipment provided for the plating bath, suction filters are also provided at the workplace to draw in solder fumes. Operation controls are also put in place to control emissions effectively.

Water Pollution

Wastewater generated during the manufacturing process is separated at source and treated appropriately to meet Pollution Control Board standards. This isolated treatment is specific to this type of wastewater to ensure effective detoxification with less chemical consumption. BEL has taken a step forward in treating wastewater to meet reusable standards thus recycling it for production purposes. Likewise, domestic wastewater is treated and recycled for horticultural purposes. The dual plumbing system is a part of the design for all new buildings.

The five-star GRIHA-rated BEL Academy for Excellence and C-type residential areas are equipped with a dual plumbing system. BEL Bangalore complex has achieved a water positive status with the commissioning of a wastewater treatment plant (STP) to treat 10 MLD sewage and rejuvenate the local Bangalore Lake. 2 MLD of this will be used for BEL gardening and other applications that lead to enormous conservation of natural resources and groundwater.

Hazardous Waste Management System

When handling with hazardous waste, the principle of reduction, reuse, recovery and recycling is practiced. The production of hazardous waste has been reduced at the process level by introducing appropriate chemicals and procedures that produce less hazardous sludge in the wastewater detoxification process, in addition to the use of cleaner technologies. The use of sodium hydrides, sodium hypochlorite, and sodium metabisulfite in place of lime, bleach powder, and ferrous sulfate help reduce the amount of hazardous sludge. In addition, the introduction of cyanide-free galvanizing and copper plating processes have helped reduce the production of hazardous waste. In the previous year, BEL achieved continual improvement by the elimination of IPA use in HF Oxide etching process in the solar plant. These initiatives resulted in generation of less hazardous waste. Bharat Electronics has set up a system for the safe handling of hazardous waste by creating an exclusive, well-protected place for the safe storage of hazardous waste. BEL has tied up with the State Pollution Control Board's Treatment, Storage & Disposal Facility operators to dispose of solid hazardous waste that can be land filled. Recyclable waste is handed over to authorised facilities of the Pollution Control Board for scientific processing and recycling. This system effectively prevents pollution from hazardous waste.

E- Waste Management

Electronic waste that is generated during the manufacturing of products is segregated, stored and handed over to authorised agencies of the Pollution Control Board for scientific processing, recovery and recycling. End of Life electronic waste such as computers and other electronic items are also handed over to authorised agencies of the Pollution Control Board for scientific processing, recovery and recycling. End of life e-waste products such as electronic voting machines are received back under Extended Producer responsibility. And the e-waste is channelized to the agencies authorized by the Pollution Control Board for scientific processing and recycling. Users of electronic products receive handling and disposal guidelines for the safe disposal of electronic waste after end of use. Efforts are being made to reduce the hazardous component in electronic products by introducing as many RoHS compliant components as possible.

Biomedical Waste

Biomedical waste generated in the BEL hospital and medical centres is collected and scientifically disposed off in accordance with regulatory requirements

Solid Waste Management

BEL has put in place a source segregation system for proper handling of waste. Biodegradable waste such as green is composted through the 1.0 tonne organic waste converter in addition to the use of a biomethanisation plant and leaf-shredding machine. The anaerobic biogas plant is based on UASB technology with a capacity of 2.0 tonnes and leads to a saving of about 50 kg PNG per day in cooking. Land-fill waste is sent to a well-established solid waste treatment facility in Bangalore for processing.

Water Management

Water conservation measures are achieved through the result of a water audit. Several water conservation projects were carried out to save water, such as the needs-based automation of the water supply, water shower-based taps, and yield-based automation of the bore well water drawing, control of the water tank level, efficient dishwashing system

and use of swill water with air agitation, minimising rejects of the cooling tower. The implementation of these water conservation projects has led to a steady reduction in water consumption year on year. Recharge of rainwater and innovative recharging measures of bore wells, facilitated recharging of surface runoff are all efforts to improve groundwater. The extensive rainwater harvesting reservoir in Bengaluru has a capacity of 170 million litres with an expected annual yield of around 234 million litres. When using rainwater on the roof last year, 535 m3 of rainwater was collected and used directly to generate RO water. All units have rainwater-harvesting facilities for the collection and reuse of rainwater.

On Site Emergency Plan and Systems

Emergency preparedness and response plans exist at the plant levels and the workplace levels, which have been institutionalised 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 the:

1. Task Force and repair team.
2. Firefighting team.
3. Security Team.
4. Transport Team.
5. First aid and medical team.

The sequence of events is recorded for improving the mock drill exercise while the planning is monitored by the senior management.

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 learnings from the stock-taking meeting are implemented as corrective action measures for improvement.

Sustainable Development Initiatives

BEL has developed a systematic approach to conserving natural resources. The main focus is on saving electricity, water and improving the greens. Various initiatives have been taken in this regard. In Davanagere and Hassan, in Karnataka, wind power plants with a total capacity of 13.9 MW for captive consumption as well as 4901 kWp Grid-Connect-Solar-PV power plants have been installed on the roofs of various BEL units. The solar power plant contributed around 7.7% to the energy consumption of all BEL units. Overall, the contribution of renewable energies to the entire company is around 51.2%. The generation of renewable energy (green energy) through wind and sun reduces the release of greenhouse gases into the atmosphere.

In the period 2020-21, around 216.51 lakh units of electrical energy was wheeled from wind energy power plants in Davanagere and Hassan for captive consumption and 21626 MT CO2 emissions were avoided. BEL has taken up sustainable development projects in the areas of energy-efficient retrofitting -LED lights, Digital Addressable Lighting Interface (DALI) lighting control system, Sky Light Pipe for daylight harvesting, reducing carbon footprint and water footprint. The concept of green building has been introduced in all new buildings and all future buildings will meet the GRIHA rating (Green Rating for Integrated Habitat Assessment).

Ecological Sustainability

We embark on a journey of ecological sustainability and greenery at BEL. Around 200 different types of plants are grown in our campuses and it is a home to various birds and other creatures. On our 685 acre green campus in Bangalore, we maintain a lawn of approximately 4,90,000 square metres and hedges of 25,100 metres as well as over 1,40,300 trees.

The green carpet helps hold back dust, absorbs heat, creates a carbon sink and releases fresh oxygen. Lush green plantations on several hectares of land are a testimony to Bharat Electronics' commitment to afforestation.

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

Annexure-7

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	:	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Communication & C4I systems-26303 Weapon Systems - 2927 Electronic Warfare & Avionics - 2008

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

   i. Communication & C4I systems

   ii. Weapon Systems

   iii. Electronic Warfare & Avionics

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 Lakh
2.	Total Turnover	:	₹ 13,81,816 Lakh
3.	Profit After Taxes	:	₹ 2,06,542 Lakh
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, Annual Report on CSR activities.
5.	List of activities in which expenditure in 4 above has been incurred	:	Refer to the Annexure-2, Annual 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 a 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 & environment. The company also has 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 summarise, majority of the vendors available in the AVD conform to key principles of Business Responsibility.

   BEL's environmental policies are communicated to suppliers & vendors through purchase orders and work orders. Environmental awareness and policy requirements are communicated during the annual vendor's 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):

Sr. 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'.								

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 the 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):

Sr. 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 one 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 a BR Report and a Sustainability Report as part of its Annual Report and posts the same on its website at https://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 an adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 300 lakh. 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. The 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 a constant effort to enhance the 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 the Army, the Navy and the Air Force for monitoring progress on complaint handling. The Company has opened 10 Regional Product Support Centres for supporting the Indian Air Force & the Indian Army and Water Front Support Centres at seven locations for supporting the Indian Navy, ensuring timely resolution of customer complaints. These Support Centres are a single point of contact for customers in their respective operational zones, thereby facilitating better and faster co-ordination between customers and the Company's manufacturing Units. A Customers Co-ordination Cell has been set up at Bengaluru for registration of complaints. The facility is armed with a toll-free BSNL/MTNL number along with CRM module of SAP connected through the 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 the complaint online, by getting a Unique Docket Number for the registered complaint. The cell generates a monthly report on a summary of complaints for the management. Details of the complaint handling data are appended inthe table below:

   Summary of Complaints for the financial year 2020-21:

No of Complaints Registered	No of Complaints Resolved	No of Complaints Pending
13222	11799 (89.3%)	1423 (10.7%)

   During the financial year 2020-21, the Company received 02 complaints/ grievances from shareholders in SEBI (SCORES) and all of them are successfully resolved.

Principle 2

1. List up to three 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. CV200 ICU Ventilators and Haemodialysis Machine

   ii. Containerised mobile system to purify water with high turbidity, bacteria, virus and iron content.

iii. 'e-chhawani' online portal to provide municipal services to more than 20 lakh citizens across 62 Cantonment Boards through the multi-tenancy central platform.

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?

   The manufacturing process is not constant and the integration of several electronic components takes place. Production ranges from manufacturing of integrated circuits to Radar etc. Therefore, product-specific information cannot be quantified. However, overall power 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.

   Yes. The company has established a rigorous selection mechanism for supplier selection and inclusion in the company's vendor Directory with the goal of sustainable sourcing and long-term mutual benefit. The company provides feedback to suppliers by regularly monitoring performance on a variety of parameters including quality, cost and delivery. The company's image, ethical and transparent business practices, and good relationships with suppliers make it possible for most items to be sustainable.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   Yes, BEL's mainstream business is manufacture & supply of Strategic Electronics Products/Systems primarily for Defence requirements as well as for select non-Defence markets. Nearly one third of the total turnover is generated from indigenously developed products. To enhance procurement from local suppliers, various units of BEL across India engage in continuous Vendor Development programmes to attract vendors from around the respective unit locations.

   Besides, BEL also has 16 ancillary units owned by small entrepreneurs, at Bengaluru. These units were established to encourage the setting up 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, indigenisation of Defence products, industrial tailoring, power supply & UPS, rubber & plastic products, sheet metal products, solar products, stainless steel customised products and traffic signal systems.

   The services include advanced welding, assembly & testing of electronic products, CNC machining, electroplating, indigenisation of Defence products, painting & coating, product improvement and sheet metal fabrication. Design services include: communication, equipment, 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 and maintains AVD, including MSMEs for standard components, materials and sub-contract items across India. This provides ample 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 the 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's test facilities are made accessible to domestic vendors at nominal rates to facilitate manufacturing. BEL has in place a Collaborative R&D Process by engaging domestic vendors, including MSME as technology partners towards indigenisation. Besides, the Company also provides support to start-ups in line with the 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 recycle products because most products are used for strategic/national security applications. Products delivered to customers are not returned to the Company. Guidelines have been provided to customers for handling and disposal of their 'end-of-life' products. However, services have been provided to customers who are willing to return products for scientific disposal. 'End-of-life' products are scientifically processed and recycled through agencies approved by the Pollution Control Board.

The Company has a structured mechanism to deliver waste from the manufacturing process of its products/ equipment through authorised recyclers approved by the Pollution Control Board. Metal waste, waste oil, solvents and copper containing rejects are sent (100%) to authorised recyclers for recycling and recovery. Paper and plastic are handed over to recyclers. In addition, food waste is used for biogas generation in the Bio-Methanisation plant, which in turn is also used for light cooking purposes.

Wastewater from the manufacturing process is treated and completely recycled for production and horticultural purposes.

Principle 3

1. Please indicate the total number of employees:

   9,172

2. Please indicate the total number of employees hired on contractual/temporary/casual basis: 4,473

3. Please indicate the number of permanent women employees: 2,001

4. Please indicate the number of permanent employees with disabilities: 210

5. Do you have an employee association that is recognised by the management?: Yes

6. What percentage of your permanent employees are members of this recognised employee association? : 89.79%

7. Please indicate the number of complaints related to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of Complaints pending as on 1 April 2020	No of complaints filed during 2020-21	No. of Complaints resolved during 2020-21	No. of Complaints pending as on 31 March 2021
1.	Child labour/forced labour/ involuntary labour	Nil	Nil	Nil	Nil
2.	Sexual harassment	02	03	03	02
3.	Discriminatory employment	Nil	Nil	Nil	Nil

8. What percentage of your under-mentioned employees was given safety & skill up-gradation training in the last year?

Sr. No.	Category	% of employees covered through training on safety aspects	% of employees covered through training on skill up-gradation
1.	Permanent Employees	25%	92%
2.	Permanent Women Employees	23%	90%
3.	Casual/Temporary/Contractual Employees	62%	15%
4.	Employees with Disability	18%	87%

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 & marginalised 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 marginalised 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, the management has instituted a scholarship in the name of the Late Prime Minister Shri. Jawaharlal Nehru, for pursuing professional courses, besides Diploma/ Certified courses, including ITI certified courses.

   A study facility centre was started for the benefit 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 organising a number of programmes related to creating health awareness among women employees. Free health check-ups 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 the 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 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 2020-21:

No of Complaints Registered	No of Complaints Resolved	No of Complaints Pending
13222	11799 (89.3%)	1423 (10.7%)

During the financial year 2020-21, the Company received 02 complaints/grievances from shareholders in SEBI (SCORES) and all of them has been successfully resolved.

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extend 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 minimise the impact on the environment during the use of its products. The Company also persuades and encourages its business partners / suppliers / contractors to move towards environment 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 addresses issues such as climate change and global warming through effective energy management measures and by adopting renewable energy sources. Energy-saving initiatives such as energy-efficient chillers, lighting management systems, building management systems, and daylight harvesting are followed. There is an impetus to use renewable energy sources such as wind and solar power for energy generation and captive consumption. The company is aiming for attaining stage of net zero grid energy.

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes. This is well established as a part of the environment management system based on ISO14001 Standards. Regular internal and external audits are also conducted to verify the effectiveness of the 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 2020-21 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 2020-21	: 30,49,650 KW hrs
b. Total wheeled energy during 2020-21	: 27,56,387 KW hrs
c. Reduction in CO2 emission	: 2,765 tons of CO2 equivalent
d. Carbon credits	: 15,856 CERs
e. Cumulative wheeled from inception	: 4,48,41,613 KW hrs
f. Cumulative CO2 emission reduction	: 47,880 tons of CO2 equivalent

Hassan 3.0 MW wind energy power plant (1.5 MW X 2 Nos.)

a. Total generation during 2020-21	: 33,03,300 KW hrs
b. Total wheeled energy during 2020-21	: 31,00,000 KW hrs
c. Reduction in CO2 emission	: 2,989 tons of CO2 equivalent
d. Carbon credits	: Registered with UNFCC
e. Cumulative wheeled from inception	: 6,10,58,528 KW hrs
f. Cumulative CO2 emission reduction	: 70,280 tons of CO2 equivalent

Davanagere 8.4 MW wind energy power plant (2.1MW X 4 Nos)

a. Total generation during 2020-21	: 1,73,40,600 KW hrs
b. Total wheeled energy during 2020-21	: 1,57,95,000 KW hrs
c. Reduction in CO2 emission	: 15,871 tons of CO2 equivalent
d. Carbon credits	: Yet to be registered with UNFCC
e. Cumulative wheeled from inception	: 8,21,57,755 KW hrs
f. Cumulative CO2 emission reduction	: 87,286 tons of CO2 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 concept of clean technology is practiced in the manufacturing process to prevent pollution. BEL is focused on the prevention of pollution at the source itself. Towards this end, several improvements and modifications have been incorporated in the existing processes. Many of the Restriction of Certain Hazardous Substance (RoHS) compliant processes have been introduced into the PCB manufacturing and metal finishing processes. Additional environment friendly materials have been implemented, such as low smoke halogen cables, low VOC metal finish (polyurethane), cyanide-free silver, zinc and copper plating, and trivalent chromium-based chromate conversion coating. A technical series document has been published on RoHS compliant cadmium plating alternatives for fasteners and screws. This helps spread awareness and compliance of RoHS compliant alternatives among BEL's various D&E and quality engineers. A new standard is released for environment friendly automated cleaning process of printed wiring assembly using aqueous based cleaner, replacing the use of Iso-propyl Alcohol.

   BEL has installed a 13.9-MW wind power plant and 4901-kWp Grid Interactive Rooftop Solar PV power plant. Total green energy wheeled from the wind power plant during 2020-21 is 216.51 lakh units and CO2 emission avoided amounted to 21626 Mt. The solar power plant contributed about 7.7% of the energy consumption in all units of BEL. Overall, the contribution of renewable energies to the entire company is around 51.2%. In addition, the following energy conservation measures have been taken up - energy-efficient retrofitting -LED lights, Digital Addressable Lighting Interface (DALI) lighting control system, Sky Light Pipe for daylight harvesting, occupancy-based lighting, BLDC fans, star-rated energy-efficient transformers.

   Incorporation of the 'green' building concept in all new buildings and all future buildings will help BEL 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 the Financial Year:

   Nil, the Company has a 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 Corporate Social Responsibility 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). 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 Corporate Social Responsibility Policy and forms the guiding principle for all our programmes.

The CSR initiatives being pursued by the Company are broadly in the areas of:

- Healthcare & Preventive Healthcare, Nutrition
- Education
- Vocational Skill Development
- Rural Development
- Environmental Sustainability

A two-tier organisation structure is in place for strategising, planning, approving, implementing, monitoring and reporting of the CSR programmes / projects focused towards community development.

2. Foundation /external NGO/Government structures/ any other organisation?

   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 BEL undertake impact assessment periodically to assess the effectiveness of CSR Projects. During the financial year, the toilets constructed by the Company under the Swachh Bharat Mission (SBM) were assessed for their utility and maintenance. Further, the CSR Committee of the 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 the CSR projects implemented by BEL.

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 2020-21, an amount of ₹ 4688.46 lakh was allocated by the Company for various CSR programmes / projects. Details of the 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, prioritised in consultation with the local administration and necessary clearances obtained. During execution of the approved CSR projects, the views of the community / local administration are obtained and considered for improvement, thus, paving the way for successful adoption of the CSR project by the community.

   ii. The Company is putting in all possible efforts to support the country's war against Covid-19. CSR interventions such as distribution of dry ration kits to migrant workers / quarantine centre inmates, equipping Govt. Hospitals across the country with Covid-related medical equipment, supporting the establishment of Covid-care hospitals etc. have directly impacted the community.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There are a total of 1423 complaints pending as on 31 March 2021. This amounts to 10.7% of the 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 products locations and will be able to reach out in a short span of time. There are no legal cases pending as on 31 March 2021.

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. 2020-21 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.

For and on behalf of the Board

Bengaluru
31 August 2021

Anandi Ramalingam
Chairman & Managing Director
(Additional Charge)

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 the branch auditors report of Kotdwara unit and our report on internal financial controls. This Independent auditor's report supersedes our report issued on 22 June 2021.

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, 2021, 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, 2021 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.

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 Customer. 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	**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.

Sr. No.	Key Audit Matter	Auditor's Response
	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 statement and S.No. 5 to the Accounting policies)	(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. (Refer Note no. 21 to the standalone financial statement and S.No. 23 to the Accounting policies)	**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. (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 obligation and identified those remaining costs which are to be incurred to satisfy the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
3		(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 statement 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 of continuing and existing contracts 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 obligation 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.

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 with reference to standalone financial statements 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

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 Rs. 5,90,774 lakhs as at 31 March, 2021 and total revenues of Rs. 4,30,633 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.

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 was 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 has 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 with reference to standalone financial statements 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, 2021 -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: 21223118AAAAEK5575

Bengaluru
17.08.2021

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, 2021, 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(xiv)(C),(E),(G) & 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 its 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 Rs. 36.95 lakhs, out of which Rs. 36.50 lakhs is retained as per Garnishee Order of Lokayukta, Bengaluru and the balance of Rs. 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, 2021 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, 2021, on account of dispute are as under: -

Name of the Statute	Nature of dues	Financial year to which amount relates	Amount (Rs.in Lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Disallowances as per Assessment orders	2008-09, 2009-10, 2011-12 to 2013-14, 2015-16 to 2017-18	2765.37	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	568.77	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 & 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	Service Tax	Till 30th June, 2017	60.93	Superintendent Range 34, Division VII, Ghaziabad, Uttar Pradesh.
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

Name of the Statute	Nature of dues	Financial year to which amount relates	Amount (Rs.in Lakhs)	Forum where dispute is pending
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 and 2017-18	58.23	Assistant commissioner of Panvel Municipal Corporation
Sales Tax	Sales tax	2008-09	58.85	Rajasthan Tax Board
Central Sales Tax Act, 1956	Central Sales Tax	2014-15	8.64	Additional Commissioner, Commercial Tax, Ghaziabad
Commercial Tax	Commercial Tax	2011-12 to 2013-14	31.83	Commercial Tax Officer, Rajasthan.
Central Sales Tax Act, 1956	Central Sales Tax	2016-17	2728.91	Joint Commissioner of Commercial Tax (Appeals).
Karnataka Value Added Tax, 2003	Karnataka Value Added Tax	2016-17	291.93	Joint Commissioner of Commercial Tax (Appeals).
Goods and Service Tax Act, 2017	Goods and Service Tax	2020-21	8.45	Appeal pending to be filed with Commissioner Appeals State Tax, Patna
Employees State Insurance Act, 1948	Employees State Insurance	2006-2011	45.73	Hon'ble High Court of Karnataka
Madhya PradeshValue Added Tax, 2002	Value Added Tax and Entry Tax	2011-12	48.37	Madhya Pradesh Commercial Tax Appellate Board, Bhopal
West Bengal Value Added Tax Act, 2003	Value Added Tax	2013-14	0.48	West Bengal Taxation Tribunal, Kolkata
Total disputed amount			**8,994.62**	
Total amount paid under protest pending final orders			**787.10**	

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, the Company has not availed any term loan during the year 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) During the course of our examination of the books and records and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company by its officers or employees noticed or reported during the year nor we have been informed of any such case by the management.

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) 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: 21223118AAAAEK5575

Bengaluru
17.08.2021

Annexure B to the Independent Auditor's Report

(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **BHARAT ELECTRONICS LIMITED**, ("the Company") as of 31 March, 2021 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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note 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 with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to standalone Financial Statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and 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 with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March, 2021, based on the internal financial control with reference to standalone financial statements 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: 21223118AAAAEK5575

Bengaluru
17.08.2021

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 2020-21 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 processes 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 the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	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 (Grants / subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term 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 (Grant/subsidy etc.) received towards the specific schemes from central/state government or its agencies have been appropriately accounted and utilized for the purpose for which it is received.	Nil

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

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Insp/BEL Accs 20-21/2021-22/127
सं./No.

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर – 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT and ex-Officio MEMBER, AUDIT BOARD, BENGALURU - 560 001.

दिनांक/ DATE. 19th August 2021

To
Mrs. Anandi Ramalingam,
Chairman and Managing Director,
M/s. Bharat Electronics Limited,
PO Nagavara, Outer Ring Road
Bengaluru – 560 045.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2021.

I forward **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2021.

It may please be ensured that the comments are:

(i) Printed in toto without any editing;

(ii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013; and

(iii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Arun Kumar V.M.)
Deputy Director (Admin)

Encl: As above.

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

दू.भा./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in
फैक्स /Fax : 080-2226 2491

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT ELECTRONICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **BHARAT ELECTRONICS LIMITED, BENGALURU** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 17 August 2021 which supersedes their earlier Audit Report dated 22 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **BHARAT ELECTRONICS LIMITED, BENGALURU** for the year ended 31 March 2021 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

19/08/2021

(Santosh Kumar)
Pr. Director of Commercial Audit

Place: Bengaluru
Date: 19 August 2021

Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	1	2,42,265	2,49,663
(b) Capital work-in-progress	2	35,069	19,944
(c) Investment property	3	8	9
(d) Other intangible assets	4	5,730	2,297
(e) Intangible assets under development	5	38,556	48,343
(f) Financial assets			
(i) Investments	6	1,33,119	1,16,167
(ii) Trade receivables	7	–	–
(iii) Loans	8	3,324	3,309
(iv) Other financial assets	9	225	2,845
(g) Deferred tax assets (net)	10	46,339	49,740
(h) Inventories	11	3,938	5,255
(i) Other non-current assets	12	39,081	34,078
		5,47,654	**5,31,650**
2 Current assets			
(a) Inventories	11	4,91,529	3,91,020
(b) Financial assets			
(i) Trade receivables	7	6,55,154	6,73,291
(ii) Cash & cash equivalents	13	3,01,565	1,55,622
(iii) Bank balances [other than (ii) above]	14	1,99,256	148
(iv) Loans	8	1,946	3,262
(v) Other financial assets	9	4,566	2,903
(c) Current tax assets (net)	15	12,998	27,989
(d) Other current assets	12	6,90,647	6,05,224
		23,57,661	**18,59,459**
TOTAL ASSETS		**29,05,315**	**23,91,109**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	24,366	24,366
(b) Other equity		10,56,423	9,60,928
		10,80,789	**9,85,294**
LIABILITIES			
1 Non-current liabilities			
(a) Deferred income	17	6,493	6,889
(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		29	20
(iii) Other financial liabilities	20	788	4,934
(c) Provisions	21	1,40,744	1,16,057
(d) Other non-current liabilities	22	–	112
		1,48,054	**1,28,012**

Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
2 Current liabilities			
(a) Deferred income	**17**	396	422
(b) Financial liabilities			
(i) Trade payables	**19**		
– total outstanding dues of micro enterprises & small enterprises; and		15,204	6,478
– total outstanding dues of creditors other than micro enterprises & small enterprises		3,14,450	2,35,997
(ii) Other financial liabilities	**20**	95,679	83,195
(c) Other current liabilities	**22**	12,16,497	9,20,175
(d) Provisions	**21**	34,246	31,536
(e) Current tax liabilities (net)	**15**	–	–
		16,76,472	**12,77,803**
TOTAL EQUITY AND LIABILITIES		**29,05,315**	**23,91,109**

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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Statement of Profit and Loss

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I	Revenue from operations	23	14,06,383	12,92,111
II	Other income	24	12,610	10,194
III	**Total income (I + II)**		**14,18,993**	**13,02,305**
IV	**EXPENSES**			
	(a) Cost of material consumed		6,68,520	5,86,825
	(b) Cost of stores & spares consumed		3,874	2,651
	(c) Consumption of stock in trade		1,23,321	95,097
	(d) Changes in inventories of finished goods, work in progress & scrap	25	(12,933)	25,943
	(e) Employee benefits expense	26	1,94,068	2,05,749
	(f) Finance costs	27	608	326
	(g) Depreciation and amortisation expense	28	36,633	34,964
	(h) Other expenses	29	1,11,421	1,02,833
	TOTAL EXPENSES [a to h]		**11,25,512**	**10,54,388**
V	**Profit before exceptional items & tax (III - IV)**		**2,93,481**	**2,47,917**
VI	Exceptional items		–	–
VII	**Profit before tax (V - VI)**		**2,93,481**	**2,47,917**
VIII	**Tax expense**	10		
	– Current tax		82,493	75,637
	– Earlier years tax		(2,492)	(3,995)
	– Deferred tax		6,938	(3,108)
	Total provision for taxation		**86,939**	**68,534**
IX	**Profit for the year (VII - VIII)**		**2,06,542**	**1,79,383**
X	**Other comprehensive income/(loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	– Remeasurement of the net defined benefit liability/asset		(11,639)	(5,864)
	– Equity instruments through other comprehensive income		1	2
	– Income tax relating to these items		2,929	2,048
	Total other comprehensive income/(loss)(net of tax)		**(8,709)**	**(3,814)**
XI	**Total comprehensive income for the year (IX + X)**		**1,97,833**	**1,75,569**
	[comprising profit and other comprehensive income for the year]			
XII	Earnings per equity share (face value of INR 1/- each):	30(1)		
	(1) Basic [in INR]		8.48	7.36
	(2) Diluted [in INR]		8.48	7.36

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

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Bengaluru
22 June 2021

Statement of Changes in Equity

(₹ in Lakhs)

A. Equity share capital

Particulars	Note No.	Amount
Balance as at 1 April 2019		24,366
Changes in equity share capital during the year		
- Issue of shares	16	–
- Buybacks of shares		–
Balance as at 31 March 2020		**24,366**

Particulars	Note No.	Amount
Balance as at 1 April 2020		24,366
Changes in equity share capital during the year		
- Issue of shares	16	–
- Buyback of shares		–
Balance as at 31 March 2021		**24,366**

B. Other equity

Particulars	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**

Statement of Changes in Equity

(₹ in Lakhs)

Particulars	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 2020		**4,669**	**1,868**	**3,59,546**	**6,13,956**	**7**	**(19,118)**	**9,60,928**
Profit for the year		–	–	–	2,06,542	–	–	2,06,542
Addition during the year		–	–	–	–	1	(8,710)	(8,709)
Total		**4,669**	**1,868**	**3,59,546**	**8,20,498**	**8**	**(27,828)**	**11,58,761**
Amount transfer to general reserve		–	–	40,000	(40,000)	–	–	–
Transaction with owners in their capacity as owner								
Dividends	16	–	–	–	(1,02,338)	–	–	(1,02,338)
Issue of shares	16	–	–	–	–	–	–	–
Buyback of shares	16	–	–	–	–	–	–	–
Balance as at 31 March 2021		**4,669**	**1,868**	**3,99,546**	**6,78,160**	**8**	**(27,828)**	**10,56,423**

* 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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	2,93,481	2,47,917
Adjustments for:		
Depreciation and amortisation expense	36,633	34,964
Provision for intangible assets under development	7,213	–
Intangible assets under development charged off	75	–
Capital work in progress charged off	1,468	–
Contract costs charged off	–	1,247
Corporate social responsibility	4,688	3,117
Transfer from government grants	(422)	(660)
Interest income	(5,649)	(6,496)
Dividend income	(351)	(426)
Interest on lease liability	24	28
Finance costs	584	298
Fair valuation of loan to subsidiary	(14)	(2)
Profit on sale of property, plant & equipment	(121)	(21)
Operating Profit Before Working Capital Changes	**3,37,609**	**2,79,966**
Increase / (Decrease) due to:		
Trade receivables	18,137	(1,36,370)
Loans	1,301	716
Other financial assets	1,130	624
Other assets	(90,426)	(1,32,788)
Inventories	(99,192)	49,204
Trade payables	87,188	98,968
Other financial liabilities	8,248	(8,636)
Other liabilities	2,96,210	1,70,392
Provisions	15,759	3,768
Current tax assets	(12,388)	(15,748)
Cash Generated from Operations	**5,63,576**	**3,10,096**
Income taxes paid (net)	(53,230)	(56,843)
Cash Flow Before Exceptional Items	**5,10,346**	**2,53,253**
Exceptional items	–	–
Net Cash from / (used in) Operating Activities	**5,10,346**	**2,53,253**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipment and other intangible assets	(46,773)	(74,284)
Less: Receipt of grant	–	1,562
Purchase of property, plant & equipment and other intangible assets (net)	(46,773)	(72,722)
Proceeds from sale of property, plant & equipment	133	86
Increase / (Decrease) from term deposits & other bank balances	(1,99,281)	16,057
Equity investments in subsidiaries & associates	(157)	(2,833)
Investments in others	(16,781)	(11,403)
Interest received	5,649	6,496
Dividend received	351	426
Net Cash from / (used in) Investing Activities	**(2,56,859)**	**(63,893)**

Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / Repayment from borrowings (net)	(833)	(2,501)
Corporate Social Responsibility (CSR) expenditure	(3,670)	(5,042)
Dividend paid (including tax on dividend)	(1,02,274)	(97,930)
Repayment of lease liabilities	(159)	(132)
Interest on lease liability	(24)	(28)
Finance costs	(584)	(298)
Net Cash from / (used in) Financing Activities	**(1,07,544)**	**(1,05,931)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**1,45,943**	**83,429**
Cash and Cash Equivalents at the beginning of the year	**1,55,622**	**72,193**
Cash and Cash Equivalents at the end of the year	**3,01,565**	**1,55,622**

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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
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 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	Accumulated depreciation/ Amortisation as at 1 April 2020	Depreciation/ Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned Asset										
Freehold land	13,711	–	–	13,711	–	–	–	–	13,711	13,711
Roads and culverts	2,191	25	–	2,216	281	115	–	396	1,820	1,910
Buildings	76,125	6,212	–	82,337	8,849	3,132	–	11,981	70,356	67,276
Installations	4,235	532	50	4,717	2,002	414	50	2,366	2,351	2,233
Plant and machinery	1,37,994	13,249	150	1,51,093	51,600	14,482	147	65,935	85,158	86,394
Electronic equipments	57,885	1,982	45	59,822	29,947	7,709	44	37,612	22,210	27,938
Equipments for R & D lab	43,197	3,775	14	46,958	23,230	7,044	14	30,260	16,698	19,967
Vehicles	713	173	11	875	421	125	6	540	335	292
Office equipments	10,504	1,660	32	12,132	6,135	1,637	29	7,743	4,389	4,369
Furniture, fixtures & equipments	8,716	664	32	9,348	4,065	939	32	4,972	4,376	4,651
Assets acquired for sponsored research	65	–	–	65	65	–	–	65	–	–
Right of Use Asset										
Lease of buildings	400	109	69	440	120	147	69	198	242	280
Leasehold land	20,703	118	–	20,821	61	141	–	202	20,619	20,642
Total	**3,76,439**	**28,499**	**403**	**4,04,535**	**1,26,776**	**35,885**	**391**	**1,62,270**	**2,42,265**	**2,49,663**

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 equipments	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**

*Additions to lease of buildings includes ₹ 365 on transition to Ind AS 116 on 01.04.2019.

Notes to Accounts

(₹ in Lakhs)

i. Freehold land consists of 2,072.87 acres (2,072.87 acres) and Leasehold land consists of 948.20 acres (948.20 acres).

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. ₹ 2,074 (₹ 1,019) in respect of the assets of Central Research Laboratories / Product Development and Innovation Centre accounted under natural code heads.

B. ₹ 17 (₹ 14) 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).

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 ₹ 2,105 (₹ 2,062) 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	2-25
Electronic Equipments	5-7
Vehicles	4-5
Office Equipments	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.

Notes to Accounts

(₹ in Lakhs)

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. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, Plant & Equipment.

xiii. Land acquired free of cost from the Government in some units has been accounted in line with provisions of Ind AS 101.

xiv. **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. 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.

C. Land admeasuring to 122.82 acres (122.82 acres) at Ibrahipatnam allotted by APIIC / TSIIC possession is given for which sale deed is pending.

D. 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.

E. 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.

F. The Company has installed Windmill Generator at three locations. Out of which : 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.

G. 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.

H. Leasehold land admeasuring 8.93 acres (8.93 acres) in Pathankot is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

I. Land admeasuring to 6.20 acres (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.

J. Sale deed is pending for finalisation of the land admeasuring to 913.99 acres (913.99 acres) at Palasamudram, Ananthapur Dist. AP

K. Leasehold land admeasuring 197.68 acres (197.68 acres) at 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.

Notes to Accounts

(₹ in Lakhs)

xv. 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.

xvi. Prepaid rent paid for 3 MW Hassan & 8.4 MW Davangere windmill plants capitalised as Right of Use on transition to Ind AS 116.

xvii. Land admeasuring to 31.15 acres (31.15 acres) located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and the cost of land along with the cost of registration of ₹ 7,974 (₹ 7,856) capitalised under Lease hold land. As per the terms of the lease agreement, on sucessful commencement of the project the same will be converted as freehold land.

xviii. Freehold land includes 2.2 acres (2.2 acres), land purchased at Gudibande Taluk, Chikkaballapur District, Karnataka for Long range communication test facility for defence equipment.

xix. Leasehold Land includes 5.94 acres (5.94 acres) acquired for construction of Regional Product Support Centre at Jodhpur.

xx. Borrowing cost of ₹ 729 (₹ 484) (net of interest income) towards Employee quarters is capitalised. Capitalisation rate is 6.47% p.a (6.47% p.a.)

xxi. **Compensation from Third Parties** :-

The Company has received an amount of Nil (₹ 109) through insurance claim for loss of assets in fire having Net book value of Nil (₹ 43).

xxii. Leasehold land includes 9.62 acres (Nil) leased to Government Organisation and is in their possession.

NOTE 2

Capital Work-in-progress

Particulars	As at 31 March 2021		As at 31 March 2020	
Civil construction	12,193		9,532	
Plant & machinery	16,687		4,170	
Others	4,489		3,550	
Capital items in transit	1,824		2,816	
		35,193		**20,068**
Less: Provision for impairment		(124)		(124)
		35,069		**19,944**

i. Civil construction mainly comprises of Production related building, R&D building and Employee Quarters.

ii. Refer Note 30(6) in respect of contractual commitments.

iii. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, plant & equipment.

iv. Borrowing costs of ₹ 245 (₹ 490) [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 (6.47% p.a).

v. **Impairment of Assets** :-

Building under construction with carrying value of ₹ 124 (₹ 124), is halted as the contractor to whom the work was awarded has 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/AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land*	–	–	–	–	–	–	–	–	–	–
Buildings	14	–	–	14	5	1	–	6	8	9
Total	**14**	**–**	**–**	**14**	**5**	**1**	**–**	**6**	**8**	**9**

* Freehold land includes INR 3,830 (INR 3,830) [represents absolute figure] which is rounded off.

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	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**

* Freehold land includes INR 3,830 (INR 3,925) [represents absolute figure] which is rounded off.

i. **Amount recognised in Statement of Profit & Loss**

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
a. Rental Income	193	186
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	192	185

ii. Refer Note 30(6) for Contractual Commitments.

iii. **Fair Value of the investment properties**

Particulars	As at 31 March 2021	As at 31 March 2020
Land	2,255	2,256
Building	903	895

iv. Land comprises of Freehold Land of 1.48 acres (1.48 acres) in Bengaluru.

Notes to Accounts

(₹ in Lakhs)

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.

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. Nil (INR 95) [represents absolute figure] is transferred from investment property to freehold land.

Notes to Accounts

(₹ in Lakhs)

NOTE 4
Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 1 April 2020	Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Software licenses/ implementation enterprise resource planning (ERP)	285	6	–	291	255	31	–	286	5	30
Others (development cost)*	2,745	4,174	–	6,919	478	716	–	1,194	5,725	2,267
Total	**3,030**	**4,180**	**–**	**7,210**	**733**	**747**	**–**	**1,480**	**5,730**	**2,297**

*Includes funding to other development agencies.

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**

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)	3-15

Notes to Accounts

(₹ in Lakhs)

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.

NOTE 5
Intangible assets under development

Particulars	As at 31 March 2021	As at 31 March 2020
Internally developed*	45,769	48,343
Less : Provision for impairment	(7,213)	–
	38,556	**48,343**

*Includes funding to other development agencies.

i. Refer Note 30(6) for Contractual Commitments.

ii. **Impairment of Assets :**

An amount of ₹7,213 (Nil) has been provided as impairment loss since development activity is not being continued at present and also as per company's assessment the probability of generating economic benefits is not certain (Refer Note 30(4)).

NOTE 6
Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Fair Valuation of loan given to Subsidiary		
BEL Optronic Devices Ltd., Pune	227	213
(I) Investment in Equity Instruments (Unquoted)		
(a) Subsidiary (at Cost)		
BEL Optronic Devices Ltd., Pune*		
8,45,06,970 (8,38,62,590) equity shares of INR 10 each fully paid	16,763	16,607
BEL Thales Systems Limited, Bengaluru		
42,63,538 (42,63,538) equity shares of INR 100 each fully paid	4,264	4,264

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Associate (at Cost)		
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 iv below)		
Mana Effluent Treatment Plant Ltd., Hyderabad 500 (500) equity shares of INR 1,000 each fully paid	12	11
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)	1,11,592	94,811
	1,33,119	**1,16,167**

* M/s BEL Optronics Devices Ltd. (wholly owned Subsdiary) has sub divided its face value of Equity shares from INR 100 per Equity share to INR 10 per Equity share and accordingly number of Equity shares have been restated.

** 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.

Particulars	2020-21	2019-20
Aggregate value of quoted investments and market value thereof	–	–
Aggregate value of unquoted investments	1,33,119	1,16,167
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.

Notes to Accounts

(₹ in Lakhs)

iv. a. The Company has designated investment in equity shares of Mana Effluent Treatment Plant Ltd, Hyderabad 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 2021	Dividend income recognised during 2020-21	Fair value as at 31 March 2020	Dividend income recognised during 2019-20
Mana Effluent Treatment Plant Ltd., Hyderabad	12	–	11	–
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 2020-21, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

v. **Related party disclosure**

For Related Party Disclosures refer Note 31.

vi. 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 Bengaluru.

An amount of ₹ 5,000 has been provided towards contribution to initial corpus fund and out of which an amount of ₹ 4,000 (₹ 4,000) is pending for disbursement.

NOTE 7
Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Unsecured, considered doubtful		
Trade Receivables	1,43,587	1,34,855
Less: Provisions*	(1,43,587)	(1,34,855)
Sub total (A)	**–**	**–**
Current		
Secured,considered good	901	498
Unsecured, considered good	6,54,253	6,72,793
Sub total (B)	**6,55,154**	**6,73,291**
Total (A+B)	**6,55,154**	**6,73,291**

*Includes ₹ 339 (₹ 339) in respect of receivables which are credit impaired.

Notes to Accounts

(₹ in Lakhs)

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.

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. Balance amount receivable is classified as Trade receivable.

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.

NOTE 8
Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Unsecured, considered good		
Security deposits	2,588	2,501
Loans to employees	736	696
Loans to related parties*	–	112
	3,324	**3,309**
Unsecured, considered doubtful		
Security deposits	104	81
Less: Provisions	(104)	(81)
	–	–
Others		
Loans to employees	1	1
Less: Provisions	(1)	(1)
	–	–
Loans to others	132	132
Less: Provisions**	(132)	(132)
	–	–
Sub total (A)	**3,324**	**3,309**

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Unsecured, considered good		
Security deposits	1,414	1,567
Loans to related parties***	380	1,528
Others		
Loans to employees	152	167
Sub total (B)	**1,946**	**3,262**
Total (A+B)	**5,270**	**6,571**

*Maximum amount outstanding at any time during the year is ₹ 1,640 (₹ 2,953).

**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.

NOTE 9
Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Unsecured, considered good		
Receivables other than trade receivables	26	77
Bank deposits with more than 12 months maturity	173	–
Other assets	26	2,768
	225	**2,845**
Unsecured, considered doubtful		
Advance to others	12	12
Less: Provisions	(12)	(12)
	–	–
Receivables other than trade receivables	966	966
Less: Provisions*	(966)	(966)
	–	–
Other assets	74	74
Less: Provisions	(74)	(74)
	–	–
Sub total (A)	**225**	**2,845**

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current		
Unsecured, considered good		
Advance to employees	165	178
Advance to others	5	2
Interest accrued but not due on term deposits	1,219	26
Receivables other than trade receivables	588	979
Other assets	2,589	1,718
Sub total (B)	**4,566**	**2,903**
Total (A+B)	**4,791**	**5,748**

*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 (Nil) has been added in other assets with respect to Property, Plant and Equipment not in active use and pending for disposal.

NOTE 10
Deferred tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	69,264	84,685
Deferred tax liabilities	(22,925)	(34,945)
	46,339	**49,740**

i. **Income Tax recognised in Statement of Profit and Loss**

Sl. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	**Income Tax Expenses :**		
	- Current period	82,493	75,637
	- Changes in estimates related to earlier years	(2,492)	(3,995)
2	**Deferred tax :**		
	- Origination and reversal of temporary differences	6,938	(3,108)
3	**Total deferred tax expense/(benefit)**	6,938	(3,108)
4	**Income tax expenses**	86,939	68,534

Notes to Accounts

(₹ in Lakhs)

ii. **Income Tax recognised in other comprehensive income**

Sl. No.	Particulars	As at 31 March 2021			As at 31 March 2020		
		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)	(11,639)	2,930	(8,709)	(5,864)	(2,049)	(3,815)
2	Equity instruments through other comprehensive income	1	(1)	–	2	1	1
	Total	**(11,638)**	**2,929**	**(8,709)**	**(5,862)**	**(2,048)**	**(3,814)**

iii. **Income Tax recognised directly in Equity**

There are no income tax recognised directly in equity for the year ended 31 March 2021 & 31 March 2020.

iv. **Reconciliation of Effective Tax Rates**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Rate	Amount	Rate	Amount
Profit Before Tax		**2,93,481**		**2,47,917**
Tax using the company's Domestic Tax Rate	25.17%	73,863	34.94%	86,632
Effect of				
Additional deduction on Research & Development Expenses	–	–	–5.72%	(14,181)
Exempt Income	–	–	–0.06%	(149)
Tax Incentives	–	–	–0.37%	(914)
Changes in estimates related to previous years	–0.64%	(1,888)	–1.61%	(3,995)
Non-deductable Expenses	0.40%	1,166	0.41%	1,017
Impact on change in tax rate	4.76%	13,993	–	–
Others	–0.08%	(195)	0.05%	124
Effective Tax rate	**29.62%**	**86,939**	**27.64%**	**68,534**

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
1	Trade Receivables	(10,154)	(14,528)	–	–	(10,154)	(14,528)
2	Inventory	(11,039)	(14,954)	–	–	(11,039)	(14,954)
3	Provision others	(14,687)	(17,908)	–	–	(14,687)	(17,908)
4	Employee Benefits	(30,429)	(34,916)	–	699	(30,429)	(34,217)

Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Deferred Tax (Assets)		Deferred Tax Liability		Net Deferred Tax (Assets)/Liability	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
5	Other Intangible Assets	–	–	442	166	442	166
6	Deferred Revenue	(268)	(373)	–	–	(268)	(373)
7	Other Assets	–	–	1	1	1	1
8	Property, Plant and Equipment	–	–	18,010	26,790	18,010	26,790
9	ICDS Adjustment	–	–	–	–	–	–
10	Equity Investments	–	–	3	2	3	2
11	Other Financial Liabilities	–	–	7	10	7	10
12	Provision for Impairment	(2,687)	(2,006)	–	–	(2,687)	(2,006)
13	Intangible Assets under development	–	–	4,463	7,277	4,463	7,277
14	**Total**	**(69,265)**	**(84,685)**	**22,926**	**34,945**	**(46,339)**	**(49,740)**
15	Set off of (Asset)/Liability	22,926	34,945	(22,926)	(34,945)	–	–
	Net Deferred Tax (Asset)/ Liability	**(46,339)**	**(49,740)**	**–**	**–**	**(46,339)**	**(49,740)**

vi. **Movement for Deferred Tax (Assets) and Liabilities :**

Sl. No.	Particulars	Balance as on 1 April 2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as on 31 March 2021
1	Trade Receivables	(14,528)	4,374	–	(10,154)
2	Inventory	(14,954)	3,915	–	(11,039)
3	Provision others	(17,908)	3,221	–	(14,687)
4	Employee Benefits	(34,217)	7,325	(3,537)	(30,429)
5	Other Intangible Assets	166	276	–	442
6	Deferred Revenue	(373)	105	–	(268)
7	Other Assets	1	–	–	1
8	Property, Plant and Equipment	26,790	(8,780)	–	18,010
9	ICDS Adjustment	–	–	–	–
10	Equity Investments	2	–	1	3
11	Other Financial Liabilities	10	(3)	–	7
12	Provision for Impairment	(2,006)	(681)	–	(2,687)
13	Intangible Assets under development	7,277	(2,814)	–	4,463
	Total	**(49,740)**	**6,938**	**(3,536)**	**(46,339)**

Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-20	Recognised in OCI during 2019-20	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)
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)**

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 2021 & 31 March 2020.

viii. **Tax Losses carried forward :**

There are no Tax Losses on which Deferred Tax Asset has been recognised for the year ended 31 March 2021 & 31 March 2020.

ix. The tax rate used for reconciliation is the corporate tax rate of 25.168% (34.944%) payable by corporate entities on taxable profits under Income Tax Act, 1961. During the year, the Company has opted for lower tax rate under section 115 BAA of Income Tax Act, 1961 inserted vide Taxation law (Amendment) Act, 2019.

NOTE 11
Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Raw Materials & Components	47,115	47,542
Add: Raw Materials & Components in Transit	91	108
Less : Provisions	(43,358)	(42,501)
	3,848	**5,149**
Stock in Trade	188	54
Less : Provisions	(188)	(54)
	–	–

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Stores & Spares	257	264
Less : Provisions	(236)	(198)
	21	**66**
Loose Tools	147	119
Less: Provisions	(78)	(79)
	69	**40**
Sub total (A)	**3,938**	**5,255**
Current		
Raw Materials & Components	2,89,541	2,12,633
Add: Raw Materials & Components in Transit	29,168	22,771
	3,18,709	**2,35,404**
Work in Progress	1,36,061	1,26,787
Finished Goods	17,874	21,632
Add: Finished Goods in Transit	9,801	2,514
	27,675	**24,146**
Stock in Trade	6,053	971
Add: Stock in Trade in Transit	–	38
	6,053	**1,009**
Stores & Spares	1,955	2,531
Add: Stores & Spares in transit	6	69
	1,961	**2,600**
Loose Tools	747	880
Add: Loose Tools in Transit	–	1
	747	**881**
Disposal Scrap	323	193
Sub total (B)	**4,91,529**	**3,91,020**
Total (A+B)	**4,95,467**	**3,96,275**

i. Raw Materials and Components include ₹ 8,440 (₹ 9,643) being materials with sub-contractors, out of which ₹ 694 (₹ 367) of materials is subject to confirmation and reconciliation. Against ₹ 694 (₹ 367) an amount of ₹ 694 (₹ 366) has been provided for.

ii. **Stock verification discrepancies for the year are as follows :**

Shortages of ₹ 473 (₹ 1,294) and surplus of ₹ 405 (₹ 412) . Pending reconciliation, an amount of ₹ 68 (₹ 887) 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.

Notes to Accounts

(₹ in Lakhs)

C. Depreciation & Operation Cost of Emission Reduction Equipments during the year :

Sl. No.	Particulars	2020-21	2019-20
i.	Depreciation	287	273
ii.	Operation Cost of Emission Reduction Equipments	154	203
	Total	**441**	**476**

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 ₹ 1,599 (₹ 5,067) has been recognised in the statement of profit and loss.

vii. Reversal of write down of inventories of ₹ 1,985 (₹ 3,389) 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 ₹ 4,370 (₹ 3,319) are located physically at Customer Premises.

x. The company has received / retained the assets of the customer as per the contractual terms and those do not form part of the inventory.

NOTE 12
Other assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Capital advances	1,366	620
	1,366	**620**
Advances other than capital advances		
Advances for purchase	2,743	2,761
Less: Provisions	(2,743)	(2,761)
	–	–
Contract asset	13,363	10,226
Less: Provisions	(13,363)	(10,226)
	–	–
Others		
Balances with customs, port trust and other government authorities	470	350
Less: Provisions	(397)	(277)
	73	**73**
Prepaid expenses	64	81
Claims receivable purchases	973	569
Less: Provisions	(973)	(569)
	–	–

Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Contract costs	37,578	33,304
Others - assets	29	29
Less: Provisions	(29)	(29)
	–	–
Sub total (A)	**39,081**	**34,078**
Current		
Advances other than capital advances		
Advances to employees	637	710
Advances for purchase	1,66,327	1,36,977
Contract asset	4,66,681	4,27,168
Others		
Balances with customs, port trust and other government authorities*	28,472	26,451
Prepaid expenses	5,642	3,876
Prepaid taxes	6,037	6,761
Claims receivable purchases	1,431	2,072
Contract costs	14,392	–
Others - assets	1,028	1,209
Sub total (B)	**6,90,647**	**6,05,224**
Total (A+B)	**7,29,728**	**6,39,302**

* Pending decision of Hon'ble High Court of Madras, ₹ 1,497 (₹ 1,497) of GST transitional credit is pending for utilisation.

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 ₹ 3,210 (₹ 1,073).

iv. **Fair value Measurement**

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Contract Asset	–	–	4,66,681	–	–	4,27,168

v. Closing balance of contract cost represents, cost to obtain the contract from customer ₹ 6,329 (₹ 4,659) & cost to fulfill contract is ₹ 45,641 (₹ 28,645).

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 ₹ 7,527 (₹ 6,163). Impairment of contract costs recognised is Nil (Nil).

Notes to Accounts

(₹ in Lakhs)

NOTE 13
Cash & Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks	51,049	35,620
Cash on hand	1	2
Term deposits	2,50,515	1,20,000
	3,01,565	**1,55,622**

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 upto Twelve months have been included in Bank balances (Refer Note 14) and Term Deposits with original maturity period beyond Twelve months have been included in Other financial assets (Refer Note 9).

ii. Refer Note 33 for classification of financial instruments.

iii. **Balance with banks include :-**

a. Pursuant to the stay order received from Honorable High Court of Karnataka, bank authorities have held ₹ 46 (Nil) based on the Garnishee order issued by the recovery Officer - ESI Corporation.

b. The bank authorities have held ₹ 66 (Nil) pursuant to the order received from Madhya Pradesh VAT authorities (Jabalpur).

iv. There are no repatriation restriction with regard to Cash and cash equivalents.

NOTE 14
Bank Balances [other than (ii) above]

Particulars	As at 31 March 2021	As at 31 March 2020
Term deposits	1,98,000	–
Unpaid dividend account*	1,256	148
	1,99,256	**148**

*Includes ₹ 1,045 of tax withheld on distribution of dividend.

i. Refer Note 33 for classification of financial instruments.

ii. There are no repatriation restrictions with regard to bank balances.

NOTE 15
Current Tax Assets / Liability

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax assets (net)		
Advance payment of income tax	12,998	27,989
	12,998	**27,989**
Current tax liability (net)		
Provision for taxation	–	–
	–	**–**

Notes to Accounts

(₹ in Lakhs)

NOTE 16

A. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020
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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Government of India	124,59,73,978	51.14%	124,59,73,978	51.14%
CPSE Exchange Traded Scheme (CPSE ETF)	13,75,69,765	5.65%	–	–
HDFC Trustee Company Ltd - A/C HDFC MID-CAP OPPORTUNITIES FUND	13,63,88,678	5.60%	–	–

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	2015-16	2016-17	2017-18	2018-19	2019-20
No. of shares	16,00,00,000	–	22,33,62,793	–	–

vi. **Aggregate number and class of shares bought back during the pervious 5 years.**

Equity shares bought back

Year	2015-16	2016-17	2017-18	2018-19	2019-20
No. of shares	–	1,66,37,207	2,03,97,780	–	–

Notes to Accounts

(₹ in Lakhs)

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.

Particulars	As at 31 March 2021	As at 31 March 2020
viii. Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.	–	–
ix. The aggregate value of calls unpaid (including Directors and Officers of Company)	–	–
x. Shares forfeited	–	–

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**

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Final dividend for FY 2019-20 and FY 2018-19 respectively	34,112	41,422
Interim dividend for FY 2020-21 and FY 2019-20 respectively	68,225	34,112
Dividend Distribution Tax	–	15,439

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).

Notes to Accounts

(₹ in Lakhs)

NOTE 17
Deferred Income

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Goverment grants - deferred	6,493	6,889
Sub total (A)	**6,493**	**6,889**
Current		
Goverment grants - deferred	396	422
Sub total (B)	**396**	**422**
Total (A+B)	**6,889**	**7,311**

i. Refer Accounting Policy No. 16 for method of presentation		
ii. Nature of utilisation of govt. grant		
a. Revenue expenditure	–	–
b. Capital Expenditure		
i. Property, Plant and Equipment	6,889	7,311
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 systems and Modified Special Incentive Package Scheme (M-sips) subsidy for Zns Project.		

NOTE 18
Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Secured		
Term loan from banks	–	–
	–	**–**

i. **Term Loan from Banks**

Particulars	2020-21	2019-20
Total liability as on Balance Sheet Date	–	833
Less : Current Maturities of Long Term Debt *	–	833
Less : Interest accrued and due on Term Loan	–	–
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.

Notes to Accounts

(₹ in Lakhs)

iv. **Rate of interest :**

7.75% 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.

NOTE 19
Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Others	29	20
Sub total (A)	**29**	**20**
Current		
Dues to Micro & Small Enterprises	15,204	6,478
Others	3,14,450	2,35,997
Sub total (B)	**3,29,654**	**2,42,475**
Total (A+B)	**3,29,683**	**2,42,495**

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 2021 is furnished below:

Particulars	2020-21	2019-20
a. The principal and the interest due thereon remaining unpaid as at 31 March :		
Principal *	15,412	6,748
Interest	6	7
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	5	1
c. The interest reversed by the company during the year ended 31 March	–	–
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	6	7
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.	4	5

*Includes amount shown under Note 20.

**Includes INR 3,499 [represents absolute figure] which is rounded off.

Notes to Accounts

(₹ in Lakhs)

ii. **Financial Instruments**

Refer Note 33 for classification of financial instruments.

iii. **Related Party Disclosure**

For Related Party Disclosures refer Note 31.

iv. 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.

v. The exposure of company to currency and liquidity risk related to Trade Payables is disclosed at Note 34.

NOTE 20
Other Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Security deposits	671	4,751
Other lease liabilities	117	183
Sub total (A)	**788**	**4,934**
Current		
Security deposits	26,554	17,598
Current maturities of long term debt*	–	833
Interest accrued and due on trade payables**	6	7
Other trade Payables	20,815	13,805
Unpaid matured deposits	37	37
Unpaid dividend	211	148
Non trade payables dues to micro and small enterprises	208	270
Outstanding expenses	46,551	49,443
Other lease liabilities	135	114
Other liabilities	1,162	940
Sub total (B)	**95,679**	**83,195**
Total (A+B)	**96,467**	**88,129**
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.

Notes to Accounts

(₹ in Lakhs)

NOTE 21
Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Employee benefits		
Long - term compensated absences	36,101	32,584
BEL retired employees' contributory health scheme (BERECHS)	75,567	56,604
Provident fund Interest obligation	–	603
Others		
Provision for onerous contracts	573	109
Provision for performance warranty	26,345	24,043
Provision for Site restoration obligation	2,158	2,114
Sub total (A)	**1,40,744**	**1,16,057**
Current		
Employee benefits		
Gratuity*	(1,501)	1,602
Long-term compensated absences	3,713	3,115
BEL retired employees' contributory health scheme (BERECHS)	6,940	4,301
Provident fund Interest obligation	–	1,231
Others		
Provision for performance warranty	23,846	19,732
Provision for onerous contracts	1,248	1,555
Sub total (B)	**34,246**	**31,536**
Total (A+B)	**1,74,990**	**1,47,593**

* Represents excess of plan asset over obligation.

i. **Movement of provisions for the year ended 2020-21**

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	**43,775**	**1,664**	**2,114**
Additional provision recognized during the year	27,158	1,294	44
Amount used during the year (Refer note v below)	–	–	–
Amount reversed during the year	20,742	1,137	–
As at 31 March	**50,191**	**1,821**	**2,158**

Movement of provisions for the year ended 2019-20

Particulars	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**

Notes to Accounts

(₹ in Lakhs)

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.

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 ₹ 7,873 (₹ 14,156) 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. Performance warranty with respect to ventilator project is based on the best estimate of the management as the trend cannot be established in normal course.

(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 :

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation as at the beginning of the year	71,304	63,187
	Current Service Cost	1,783	1,713
	Interest Cost	4,559	4,654
	Past Service Cost	–	–
	Benefits paid	(5,490)	(4,870)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on planned liability - loss / (gains)	(1,938)	5,957
	Experience adjustments on planned liability - loss / (gains)	(16)	663
	Present Value of Obligation as at the end of the period	**70,202**	**71,304**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	69,702	64,322
	Expected return on plan assets	4,532	4,970
	Contributions	2,400	6,000
	Benefits paid	(5,490)	(4,870)
	Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	559	(720)
	Fair value of plan assets as at the end of the period	**71,703**	**69,702**
	Defined benefit (Asset) / liability	**(1,501)**	**1,602**
	Effects of asset ceiling - As at the beginning of the year	**–**	**–**
	Effects of asset ceiling - As at the end of the year	**–**	**–**
	Net defined benefit (asset) / liability	**(1,501)**	**1,602**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	1,783	1,713
	Net Interest on Net Defined Benefit Obligations	27	(317)
	Past service cost	–	–
	Expenses recognized in the statement of profit and loss	1,810	1,396
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	(1,954)	6,621
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	(559)	721
	Effect of Balance Sheet Asset limit	–	(81)
	Amounts recognised in the statement of Other Comprehensive Income	(2,513)	7,261
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	70,202	71,304
	Fair Value of Plan Assets at the end of the period	71,703	69,702
	Funded Status [(Surplus) / Deficit]	**(1,501)**	**1,602**
	Effects of asset ceiling - As at the beginning of the year	**–**	**–**
	Effects of asset ceiling - As at the end of the year	**–**	**–**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**(1,501)**	**1,602**

Notes to Accounts

(₹ in Lakhs)

Particulars		2020-21	2019-20
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows :		
	State Govt. Securities	0.11%	0.12%
	Govt. of India Securities	1.18%	1.22%
	High Quality Corporate Bonds	–	–
	Investment with Insurer	98.70%	98.65%
	Others (Bank balance)	0.01%	0.01%
vii)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	Rate of increase in compensation level	7.00%	7.00%
	Expected rate of Return on Plan Assets	6.96%	6.65%
	Estimated Average Future working life	15.30	15.90
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 Nil (₹ 1,602).		
ix)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.46%	7.15%
	Increase/(decrease) in defined benefit Obligation as at the end of the period	(2,931)	(3,069)
	Discount Rate (0.50% movement)decrease	6.46%	6.15%
	Increase/(decrease) defined benefit Obligation as at the end of the period	3,176	3,329
	Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	904	1,049
	Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	(960)	(1,133)

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 2021	As at 31 March 2020
Year 1	3,774	3,091
Year 2	9,324	9,288
Year 3	7,180	6,450
Year 4	8,270	7,031
Year 5	7,967	8,038
Next 5 years	30,750	33,363

Notes to Accounts

(₹ in Lakhs)

(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. With effect from 01.04.2021 the company has taken insurance cover for both inpatient and out patient for retirees.

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	2020-21	2019-20
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	60,905	55,625
	Current Service Cost	3,185	2,909
	Interest Cost	4,050	4,278
	Benefits paid	(18)	447
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on plan liability - loss / (gain)	(1,104)	7,333
	Experience adjustments on plan liability - loss / (gain)	14,482	(9,687)
	Impact on change in demographic assumption on plan liabilities loss / (gain)	1,007	–
	Present Value of Obligation as at the end of the period	**82,507**	**60,905**
ii)	**Change in Fair Value of non-plan assets (Reimbursement rights):**		
	Fair value of non-plan assets at the beginning of the year	59,839	55,908
	Expected return on non-plan assets	4,262	4,283
	Direct contributions to meet direct benefit payment	4,280	3,836
	Benefit paid	(4,280)	(3,836)
	Actuarial gain / (loss) on non-plan Assets recognised in other comprehensive income	(371)	(352)
	Contribution to non-plan assets	8,500	–
	Fair value of non-plan assets at the end of the period	**72,230**	**59,839**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	–	–
	Current Service cost	3,185	2,909
	Interest on Defined benefit obligation	4,050	4,278
	Net Expenses Recognised in the Statement of Profit & Loss [Expenses : ₹ 389 (Nil), Provisions : ₹ 6,846 (₹ 7,187)]	**7,235**	**7,187**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on plan Obligations	14,385	(2,353)
	Actuarial (gain)/loss on non - plan Assets	371	352
	Amounts recognised in the statement of Other Comprehensive Income	**14,756**	**(2,001)**

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	82,507	60,905
	Fair Value of Plan Assets at the end of the period	–	–
	Funded Status	(82,507)	(60,905)
	Liability recognised in Balance Sheet (as per actuarial valuation)	**82,507**	**60,905**
	Expected to be payable within next twelve months	**6,940**	**4,301**
	Expected to be payable beyond next twelve months	**75,567**	**56,604**
vi)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	Medical inflation rate	6.25%	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	1,442	1,098
	Effect on the defined benefit obligation	11,798	9,313
	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	(1,174)	(884)
	Effect on the defined benefit obligation	(9,600)	(7,423)
viii)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.46%	7.15%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(4,948)	(3,836)
	Discount Rate (0.50% movement)decrease	6.46%	6.15%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	5,524	4,304
	Medical Inflation Rate (0.50% movement)increase	6.75%	6.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	5,586	4,350
	Medical Inflation Rate (0.50% movement)decrease	5.75%	5.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(5,039)	(4,579)

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.

Notes to Accounts

(₹ in Lakhs)

iii. Maturity profile of the BERECHS defined benefit obligation is given below:

Year	As at 31 March 2021	As at 31 March 2020
Year 1	4,507	2,985
Year 2	4,818	3,149
Year 3	5,147	3,320
Year 4	5,514	3,501
Year 5	5,903	3,678
Next 5 years	34,182	20,906

(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.

Company has determined on the basis of Actuarial Valuation carried out as on 31 March 2021, that there is no liability towards the interest shortfall on valuation date (having regard to terms of plan that there is no compulsion on part of the Trust to distribute any part of the surplus, if and by way of additional interest on PF balances).

	Particulars	2020-21	2019-20
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	3,00,068	2,66,296
	Current Service Cost	18,912	11,500
	Interest Cost	20,115	20,793
	Past Service Cost (Non vested Benefits)	–	–
	Past Service Cost (vested Benefits)	–	–
	Actuarial (gain) / Loss	9,171	1,335
	Benefits paid	(58,897)	(29,210)
	Contributions	44,981	29,354
	Present Value of Obligation as at the end of the period	**3,34,350**	**3,00,068**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	2,99,644	2,69,156
	Expected return on plan assets	20,087	21,012
	Contributions*	63,722	40,746
	Benefit paid	(58,897)	(29,210)
	Actuarial gain / (loss) on Plan Assets	16,053	(2,060)
	Fair value of plan assets at the end of the period	**3,40,609**	**2,99,644**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	–	–
	Current Service cost	18,912	11,500

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
	Interest Cost	20,115	20,793
	Expected return on Plan Assets	(20,087)	(21,012)
	Net Actuarial (gain) / loss recognised in the period	–	–
	Past Service Cost (Non vested Benefits)	–	–
	Past Service Cost (vested Benefits)	–	–
	Expenses Recognised in the Statement of Profit & Loss	**18,940**	**11,281**
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,34,350	3,00,068
	Fair Value of Plan Assets at the end of the period	3,40,609	2,99,644
	Effect of Balance Sheet asset limit	6,259	179
	Difference	**–**	**603**
	Unrecognised Actuarial (gains) / losses	–	–
	Liability recognised in Balance Sheet	**–**	**603**
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,34,350	3,00,068
	Plan Assets	3,40,609	2,99,644
	Effect of Balance Sheet asset limit	6,259	179
	Surplus/ (Deficit)	–	(603)
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(9,266)	(1,259)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	16,053	(2,060)
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	9,171	1,335
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	(16,053)	2,060
	Effect of Balance Sheet asset limit	6,279	(2,792)
	Amounts recognised in the statement of Other Comprehensive Income	(603)	603
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	53.72%/58.96%	44.68%/61.00%
	High Quality Corporate Bonds	33.93%/24.34%	36.72%/21.10%
	Mutual Funds	2.14%/1.47%	4.36%/1.50%

Notes to Accounts

(₹ in Lakhs)

Particulars	2020-21	2019-20
Others		13.27%/12.00%
Unsecured, as recoverable from Enterprise **	0.34%/3.84%	0.38%/4.30%
Recoverable from Corporate for eliminating the net loss incurred by the trust during 2019-20	–	0.59%/0.10%
Total	**100%/100%**	**100%/100%**
viii) Actuarial Assumptions :		
Discount Rate	6.96%	6.65%
Salary escalation rate	7.00%	7.00%
Expected rate of Return on Plan Assets	8.27%/8.52%	8.80%/8.90%

*Note: Includes Nil (₹1,231) towards interest shortfall of the Provident Fund Trust.

** Note : The unsecured (principal) portion of the investment which amounts to ₹ 5,740 (₹ 5,740) 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 :

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	2020-21	2019-20
i) Expenses Recognised in the Statement of Profit & Loss :		
Net Expenses Recognised in the Statement of Profit & Loss [2020-21 Leave Encashed : ₹ 1,437, Provisions : ₹ 4,115] [2019-20 Leave Encashed : ₹ 1,073, Provisions : ₹ 8,552]	5,552	9,625
ii) Amounts to be recognised in Balance Sheet :		
Liability recognised in Balance Sheet [As per Actuarial Valuation]	39,814	35,699
iii) Actuarial Assumptions :		
Discount Rate	6.96%	6.65%
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	3,713	3,115
Leave obligations expected to be settled beyond 12 months	36,101	32,584
Total	**39,814**	**35,699**

Notes to Accounts

(₹ in Lakhs)

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.

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. 98.70% (98.65%) of the plan assets backing this plan are insurer managed assets and 1.29% (1.34%) 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.

NOTE 22
Other Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non current		
Deferred revenue - Customer grants	–	112
Sub total (A)	**–**	**112**
Current		
Deferred revenue - Customer grants	112	363
Contract liability		
- Deferred revenue	3,522	3,615
- Customer advance received	11,78,727	8,81,121
Statutory liabilities	31,964	31,288
Others	2,172	3,788
Sub total (B)	**12,16,497**	**9,20,175**
Total (A+B)	**12,16,497**	**9,20,287**

Notes to Accounts

(₹ in Lakhs)

i. **Related Party Disclosure**

For Related Party Disclosures refer Note 31.

ii. Revenue recognised during the period is ₹ 1,29,761 (₹ 1,65,474) that was included in the contract liability balance at the begining of the period.

NOTE 23
Revenue from Operations

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Sale of Products	12,40,956		11,27,264	
Income from Services	1,40,860		1,33,512	
		13,81,816		**12,60,776**
Other operating revenue				
Sale of scrap		402		542
Transport receipts		276		390
Rent receipts		675		707
Canteen receipts		887		1,233
Electricity charges collected		208		203
Water charges collected		50		54
Provisions withdrawn				
– Onerous contracts (net)	–		4,114	
– Doubtful debts, liquidated damages	7,736		4,302	
– Inventory	4,712		6,620	
– Loans & advances	138		304	
– Performance warranty	–		5,407	
– Others*	4		93	
		12,590		**20,840**
Govt. Grants including duty drawback		1,019		787
Customer grants		1,041		389
Miscellaneous		7,419		6,190
		14,06,383		**12,92,111**

* Includes Nil (₹ 33) towards recoveries out of the receivable from the employee. Refer Note 30 (21).

i. **Disaggregation of revenue recognised against contracts with customers (2020-21)**

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	9,63,225	1,68,909	71,130	37,692	12,40,956
Income from Services	1,10,453	28,841	1,427	139	1,40,860
Total	**10,73,678**	**1,97,750**	**72,557**	**37,831**	**13,81,816**

Notes to Accounts

(₹ in Lakhs)

Disaggregation of revenue recognised against contracts with customers (2019-20)

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	1,33,512
Total	**10,20,160**	**1,31,294**	**74,235**	**35,087**	**12,60,776**

ii. **Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price**

Particulars	2020-21		2019-20	
Revenue as per Statement of Profit and Loss				
Sale of Products	12,40,956		11,27,264	
Income from Services	1,40,860		1,33,512	
Total (a)		**13,81,816**		**12,60,776**
Add / (Less) adjustment to contract price				
Foreign Exchange variation claim	(21,802)		(16,830)	
Price revision	–		–	
Discount and rebate offered	357		71	
Others	(4,528)		(10,769)	
Total adjustment (b)		**(25,973)**		**(27,528)**
Contract price (a + b)		**13,55,843**		**12,33,248**

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 ₹ 7,043 (₹ 7,725) (net) has been recognised as revenue during the year out of performance obligation satisfied in previous periods.

iii. In a project, one site out of ten is still to be handed over by the customer since 2015. Other 9 sites have progressed significantly; therefore, based on an opinion obtained by the management, the site, which has not been handed over till date, has been considered as a separate performance obligation, as there is uncertainty regarding its handing over in near future. This has resulted in increase in Revenue for the year by ₹ 8,786 (Nil) and increase in profit by ₹ 8,540 (Nil)

NOTE 24
Other Income

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Interest income from staff/IT refund/others*	432	2,552
Income from long term investments (Dividend)**	351	426
Interest income on term deposits	5,649	6,496
Profit on sale of PPE	121	21
Rental income - Investment property	193	186
Foreign exchange gain	5,634	–
Miscellaneous (net of expenses)	230	513
	12,610	**10,194**

* 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)

NOTE 25
Changes in Inventories of Finished Goods, Work in Progress & Scrap

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Work-in-progress:				
Closing inventory	1,36,061		1,26,787	
Opening inventory	1,26,787		1,54,137	
		(9,274)		**27,350**
Finished goods :				
Closing inventory	27,675		24,146	
Opening inventory	24,146		22,626	
		(3,529)		**(1,520)**
Scrap :				
Closing inventory	323		193	
Opening inventory	193		306	
		(130)		**113**
		(12,933)		**25,943**

NOTE 26
Employee benefits expense

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Salaries, Wages and Bonus/Ex-gratia		1,57,844		1,63,657
Retirement benefit expenses				
Gratuity	1,810		1,396	
Contribution to Provident and Pension Funds	11,229		12,319	
Management Contribution to BEL Superannuation (Pension) Scheme	5,749		5,536	
Provision for BEL Retired Employees Contributory Health Scheme	6,846		7,187	
		25,634		**26,438**
Welfare Expenses* [includes salaries ₹ 1,114 (₹ 1,101), PF contribution ₹ 116 (₹ 100)]		10,590		15,654
		1,94,068		**2,05,749**

i. *Refer Note 21 (A) (iii), accordingly a provision of Nil (₹ 3,690) is made.

ii. Refer Note 31 for Remuneration to Key Managerial Personnel.

Notes to Accounts

(₹ in Lakhs)

NOTE 27
Finance Costs

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Interest expenses				
Interest on dues to Micro & Small Enterprises	4		5	
Interest expense on lease liability	24		28	
Other interest expenses	552		263	
		580		**296**
Other borrowing cost				
Loan processing charges		28		30
		608		**326**

NOTE 28
Depreciation and Amortisation Expense

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Depreciation/amortisation on property, plant & equipment	35,597	34,416
Depreciation on investment property	1	1
Amortization on other intangible assets	747	363
Depreciation on right of use assets	288	184
	36,633	**34,964**

NOTE 29
Other Expenses

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Power and fuel*		3,273		3,457
Water charges		375		431
Royalty & technical assistance		17,472		257
Rent		1,608		2,279
Rates & taxes		433		847
Insurance		2,407		1,133
Auditors remuneration				
Audit Fees	24		18	
Tax audit fees	6		4	
Other services (Certification fees)	10		6	
Reimbursement of expenses	6		10	
		46		**38**
Cost audit fee		4		4
Repairs & maintenance				
Buildings	1,983		2,174	
Plant & machinery	1,400		1,205	

Notes to Accounts

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Others	9,374		7,629	
		12,757		**11,008**
Bank charges		314		396
Printing & stationery		227		443
Advertisement & publicity		404		740
Travelling expenses		4,023		11,575
Hiring charges for van/taxis		1,126		1,297
Packing & forwarding		2,287		3,806
Bad debts & advances written off	1,626		23,041	
Less: charged to provisions	(1,618)		(22,899)	
		8		**142**
Provision for obsolete / redundant materials		6,988		7,153
Provision for doubtful debts, LD, customers' claims & disallowances		21,161		36,185
Provision for doubtful advances, claims		736		172
Foreign exchange loss		–		1,674
Provision for performance warranty (net)**		6,416		–
Provision for onerous contracts		157		–
Write off of raw materials, stores & components due to obsolescence & redundancy	1,266		229	
Less: charged to provisions	(1,248)		(229)	
		18		**–**
Provision others***		–		–
Provision for intangible assets under development		7,213		–
Write off of intangible assets under development		75		–
Contract costs charged off		–		1,247
Capital WIP charged off		1,468		–
Corporate social responsibility		4,467		2,912
Others				
Other Misc. Direct Expenditure	11,488		10,749	
After Sales Service	424		297	
Telephones	893		1,043	
Expenditure on Seminars & Courses	839		867	
Other Selling Expenses	378		1,288	
Miscellaneous	3,912		4,729	
		17,934		**18,973**
Less: Expenditure allocated to capital jobs		(1,976)		(3,336)
		1,11,421		**1,02,833**

*Wind Energy Generated netted off.

**Refer Note 21.

***Provision others includes Nil (₹ 936)is recoverable from employee and provision for the said recovery of Nil (₹ 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	2020-21	2019-20
a	**From continuing operations**		
	Basic earnings per share [INR]	8.48	7.36
	Diluted earnings per share [INR]	8.48	7.36
b	Amounts used as the numerators in calculating basic and diluted earnings per share	2,06,542	1,79,383
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 ₹ 7,337 (₹ 124) 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 31.03.2021 is 7.00 % p.a. (7.90% p.a)].

c. The amount utilised is repayable on demand. Utilisation as on 31.03.2021 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 2021	As at 31 March 2020
A.	Estimated amount of contracts remaining to be executed on capital account and not provided as on 31 March		
	Property, plant & equipment	46,722	50,403
	Investment property	–	–
	Other intangible assets	1,267	1,856
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	–	–

Notes to Accounts

(₹ in Lakhs)

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 2021	For the Year Ended 31 March 2020
Expenditure		
Materials	20,177	22,848
Employees Remuneration & Benefits	48,699	53,715
Depreciation	8,751	8,712
Others	12,528	12,647
Gross Expenditure	**90,155**	**97,922**

Note : The above expenditure includes ₹ 1,577 (₹ 3,684) which has not been charged off.

8 Contingent Liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Claims not acknowledged as debts	98,672	1,04,614
Outstanding Letters of Credit	72,543	89,238
Others	2,946	2,945
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	26,305	24,846

9 Contingent Asset:

Particulars	As at 31 March 2021	As at 31 March 2020
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.

12 Leases

Adoption of Ind AS 116

Effective 1 April, 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the financial statements of the company.

Notes to Accounts

(₹ in Lakhs)

a) **As a Lessor**:

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year;	322	399
Later than one year and not later than five years;	230	486
Later than five years.	2,847	2,910

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 2021	As at 31 March 2020
Not later than one year;	149	134
Later than one year and not later than five years;	114	193
Later than five years.	6	–

The Company has entered into a lease agreement with M/s Tamil Nadu Industrial Explosive Ltd., towards lease of 67.25 acres of land along with buildings constructed thereon situated at Vellore district, Tamil Nadu for the tenure of 29 years commencing from 22 May 2021. The minimum lease rent payable as per the contractual terms is ₹ 13,601. The registration charges amounting to ₹ 137 paid towards execution of lease agreement is recorded under Capital work in progress - Note 2 .

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

The Value of Retention Sales (i.e., Goods retained with the Company at the Customers' request and at their risk) included in Gross Turnover during the year is ₹ 49,302 (₹ 1,78,315).

Out of the above, the Value of Ex-works Sales is ₹ 6,884 (₹ 29,959).

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 2021 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	615	45,741	275	19,943	260	19,325
	(1,609)	(1,22,848)	(267)	(19,891)	(980)	(74,812)
EURO	158	13,882	20	1,673	201	17,595
	(139)	(11,753)	(6)	(451)	(91)	(7,711)
GBP	22	2,294	–	–	14	1,433
	(14)	(1,300)	–	–	(12)	(1,142)
JYEN	117	79	–	–	–	–
	(136)	(96)	–	–	(17)	(12)
CHF	11	853	–	–	**	7
	(22)	(1,785)	–	–	–	–
OTHERS	9	475	–	–	–	–
	(26)	(215)	–	–	–	–
Total (₹)		**63,324**		**21,616**		**38,360**
		(1,37,997)		**(20,342)**		**(83,677)**
Amount covered by Exchange Rate variation clause from Customers out of the above		29,154		–		17,449
		(83,644)		–		(4,298)

* includes exposures relating to outstanding Letters of Credit and Capital Commitments.

** includes CHF 9,000 [represents absolute figure] which is rounded off.

During the FY 2020-21, the Company has not entered into any Forward Contracts to cover Foreign Currency fluctuations in respect of Firm Commitments. There are no outstanding Forward Contracts as on 31.03.2021.

Notes to Accounts

(₹ in Lakhs)

16 Disclosure relating to CSR Expenditure

a. Gross amount required to be spent by the Company during the FY 2020-21 is ₹ 4,688 (₹ 4,310).

b. Amount spent during the FY 2020-21:

Sl No.	Particulars	In Cash	Yet to be paid in Cash	Total	Appropriation / Provision * for unspent amount	CSR Grand Total
i)	Construction / Acquisition on any asset	–	–	–	–	–
		–	–	–	–	–
ii)	Purposes other than (i) above	2,279	–	2,279	2,409	4,688
		(3,117)	–	(3,117)	(1,193)	(4,310)

* ₹ 2,409 provided pursuant to Company (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), towards unspent CSR account as this pertains to ongoing projects.

Above expenses also includes CSR Administration Overhead of ₹ 221 (₹ 205) which is grouped under Employee benefits expense.

c. Movement of CSR Provision

Sl No.	Particulars	2020-21	2019-20
i	As at 1 April	3,485	4,217
ii	Additional provision / appropriation recognised during the year*	2,409	1,193
iii	Less: Amount used during the year	1,390	1,925
iv	Less: Amount reversed during the year	–	–
v	As at 31 March	4,504	3,485

* Includes provision towards interest earned from CSR funds Nil (Nil).

17 COVID - 19 Impact

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial statements including the recoverability of carrying amount of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainities in the global economic conditions because of pandemic, the company has used its available internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial statements may differ from the estimate as at the date of approval of the financial statements.

18 Dividend not recognised at the end of the reporting period

The directors have recommended a final dividend of INR 1.20 (INR 1.40) per share. [Represents absolute figure].

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would result in cash outflow of approximately ₹ 29,239.

19 An amount of ₹ 25 (₹ 25) 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.

Notes to Accounts

(₹ in Lakhs)

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	53,43,359	18,50,501	12,26,218	8,64,754	14,01,886

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 2019-20, 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, Nil (₹ 64) has been recovered and the balance amount of ₹ 936 (₹ 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 The date on which the code of social security, 2020 will come to effect has not been notified and the company will assess the impact of the code when it comes into effect and will record the impact in the period the code becomes effective.

23 Figure in brackets relate to previous years.

24 All figures in financial statements are rounded off to nearest lakhs unless otherwise mentioned.

25 The standalone Ind AS financial statements were approved for issue on 22 June 2021 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
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 Vinay Kumar Katyal, Director [BG Complex]
Mr Shivakumaran K M, Director [HR]
Mrs Shikha Gupta, Director [Other Units]
Mr Dinesh Kumar Batra, Director [Finance] & CFO from 01.08.2020
Mr Rajasekhar M V, Director [R&D] from 01.09.2020
Mr Koshy Alexander, Director [Finance] & CFO upto 31.07.2020
Mr Mahesh V, Director [R&D] upto 31.08.2020
Mr S Sreenivas, Company Secretary

ii. Compensation to Key Management Personnel

Particulars	For the year Ended 31 March 2021	For the year Ended 31 March 2020
Short term employee benefits	372	445
Post employment benefits	15	14
Long term employee benefits	39	63
Termination benefits	–	–
Share based payment	–	–
Total	**426**	**522**

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	1,183	2,313	–	–	3,496
	(566)	(2,379)	–	–	(2,945)
Sale of Goods	–	316	1,758	–	2,074
	–	(586)	(2,519)	–	(3,105)
Services Received	–	576	–	–	576
	–	(522)	–	–	(522)
Services rendered	–	2	–	–	2
	–	(842)	–	–	(842)
Rent Received (Lease)	–	43	–	–	43
	–	(41)	–	–	(41)

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	98	–	–	–	98
	(356)	–	–	–	(356)
Dividend Income on Investments	91	–	260	–	351
	(426)	–	–	–	(426)
Loan disbursed	267	–	–	–	267
	(320)	–	–	–	(320)
Purchase of Shares	157	–	–	–	157
	(2,833)	–	–	–	(2,833)
Loan Outstanding (including Interest) as on 31.03.2021 *	381	–	–	–	381
	(1,653)	–	–	–	(1,653)
Trade Payables Outstanding as on 31.03.2021	47	353	–	–	400
	(238)	(400)	–	–	(638)
Trade Receivables Outstanding as on 31.03.2021	–	237	540	–	777
	–	(950)	(691)	–	(1,641)
Investment in Equity as on 31.03.2021	16,990	4,264	260	1	21,515
	(16,819)	(4,264)	(260)	(1)	(21,344)
Contribution Outstanding as on 31.03.2021	–	–	–	4,000	4,000
	–	–	–	(4,000)	(4,000)

Directors sitting fees :

The sitting fees paid to non executive Directors is ₹ 16 as at 31 March 2021 and ₹ 20 as on 31 March 2020 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.

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 31.03.2021, an amount of ₹ 9,851 (₹ 9,851) has been paid to BELOP, out of which an amount of ₹ 9,851 (₹ 7,109) has been received from MoD. The balance amount of Nil (₹ 2,742) has been shown under Other Financial Assets - Non Current. (Refer Note 9).

As per the Agreement, an amount of ₹ 21 (₹ 181) 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 August 2016 to fund a Term Loan of ₹ 4,600 out of which ₹ 2,935 has been disbursed as on 31.03.2021 and an amount of ₹ 381 (including interest) is outstanding as on 31.03.2021.

Notes to Accounts

(₹ in Lakhs)

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.

2.* Loan outstanding does not include ₹ 1 (₹ 13) adjusted on account of Fair Valuation of loan given to subsidiary (BELOP) at below market rate.

h. **Management Contracts including deputation of Employees**

Two Officials of BEL has been deputed to BELOP (Subsidiary) and Seven 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 ₹ 52,331 (₹ 40,612) was paid as Dividend during the FY 2020-21.

In addition to the above, around 92% (91%) of the Company's Turnover, around 95% (97%) of Trade Receivables and around 99% (99%) 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 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.

NOTE 32

Interest in Associate

A

Name of the Entity		GE BE Private Limited
Place of Business/Place of Incorporation		India
% of ownership interest		26%
Relationship		Associate
Carrying Amount	2020-21	18,995
	2019-20	(16,216)

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.

Notes to Accounts

(₹ in Lakhs)

Carrying amount of the Company's interest in GE BE Private Ltd. (Audited)

Summarised Balance Sheet	As at 31 March 2021	As at 31 March 2020
Non - Current assets	23,303	22,736
Current assets		
Cash and Cash equivalents	53	338
Other assets	76,552	63,655
Total current assets	**76,605**	**63,993**
Total assets	**99,908**	**86,729**
Non - current liabilities		
Financial liabilities other than trade payables	31	56
Other liabilities.	688	1,010
Total non - current liabilities	**719**	**1,066**
Current liabilities		
Financial liabilities other than trade payables	713	1,176
Other liabilities.	25,419	22,117
Total current liabilities	**26,132**	**23,293**
Total liabilities	**26,851**	**24,359**
Net assets	**73,057**	**62,370**
Company's share of Net assets	**18,995**	**16,216**

Summarised Statement of Profit & Loss	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Revenue	1,23,839	1,21,366
Interest Income	1,403	1,541
Depreciation and amortisation	3,481	3,112
Interest expense	32	41
Income tax expense	3,890	4,011
Profit for the year	11,673	12,369
Other comprehensive income	14	(91)
Total comprehensive income	11,687	12,278
Company's share of Profit	3,035	3,216
Company's share of OCI	4	(24)
Company's share of total comprehensive income	3,039	3,192

The Company has received Dividend of ₹ 260 (Nil).

Notes to Accounts

(₹ in Lakhs)

Reconciliation of carrying amounts

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Opening net assets	16,216	13,024
Profit for the year	3,035	3,216
Other comprehensive income	4	(24)
Dividend paid	260	–
Closing net assets	**18,995**	**16,216**

Commitments and Contingent Liabilities in respect of Associate: -

Particulars	GE BE Private Ltd.	
	As at 31 March 2021	As at 31 March 2020
Capital Commitments	174	268
Other Commitments	–	–
Other Contingent Liabilities	831	831

B	Name of the Entity		Defence Innovation Organisation
	Place of Business / Place of Incorporation		India
	% of ownership interest		50%
	Relationship		Associate
	Carrying Amount	2020-21	1
		2019-20	1

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 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets measured at fair value						
I	**Investments**						
i	Equity Instruments – Mana Effluent treatment Pvt Ltd	–	12	–	–	11	–
ii	Equity instruments - Defence Innovation Organisation	–	1	–	–	1	–

Notes to Accounts

(₹ in Lakhs)

	Particulars	As at 31 March 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
iii	Other Investments						
a	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment & BERECHS)	1,11,592	–	–	94,811	–	–
	Sub total	**1,11,592**	**13**	**–**	**94,811**	**12**	**–**
	Financial Assets not measured at fair value						
II	**Trade Receivables**	–	–	6,55,154	–	–	6,73,291
III	**Loans**						
a	Security deposits	–	–	4,002	–	–	4,068
b	Loans to Related Parties	–	–	380	–	–	1,640
c	Loans to Employees	–	–	888	–	–	863
d	Loans to Others	–	–	–	–	–	–
IV	**Cash and cash equivalents**	–	–	3,01,565	–	–	1,55,622
V	**Other Bank Balances**	–	–	1,99,256	–	–	148
VI	**Other Financial Assets**						
a	Advance to Employees	–	–	165	–	–	178
b	Advance to Others	–	–	5	–	–	2
c	Receivables (other than Trade Receivables)	–	–	614	–	–	1,056
d	Bank deposits with more than 12 months maturity	–	–	173	–	–	–
e	Interest accrued but not due on term deposits	–	–	1,219	–	–	26
f	Other financial Assets	–	–	2,615	–	–	4,486
VII	**Other Investments**						
a	Investment in Co-operative societies, Housing Societies etc.*	–	–	–	–	–	–
b	Investment in Subsidiaries	–	–	21,254	–	–	21,084
c	Investment in Associate	–	–	260	–	–	260
	Sub total	**–**	**–**	**11,87,550**	**–**	**–**	**8,62,724**
	Total	**1,11,592**	**13**	**11,87,550**	**94,811**	**12**	**8,62,724**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

Notes to Accounts

(₹ in Lakhs)

	Particulars	As at 31 March 2021			As at 31 March 2020		
		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	–	–	3,29,683	–	–	2,42,495
III	**Other Financial Liabilities**						
a	Security Deposits	–	–	27,225	–	–	22,349
b	Current Maturities of Long Term Debt	–	–	–	–	–	833
c	Interest accrued and due on term loan	–	–	–	–	–	–
d	Interest Accrued and due on Trade Payables	–	–	6	–	–	7
e	Other Trade payables	–	–	20,815	–	–	13,805
f	Unpaid Matured Deposits	–	–	37	–	–	37
g	Unpaid Dividend	–	–	211	–	–	148
h	Non Trade Payables Dues to Micro and Small Enterprises	–	–	208	–	–	270
i	Outstanding Expenses	–	–	46,551	–	–	49,443
j	Other Lease liability	–	–	252	–	–	297
k	Other Liabilities	–	–	1,162	–	–	940
	Total	**–**	**–**	**4,26,150**	**–**	**–**	**3,30,624**

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 2021			As at 31 March 2020		
			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	–	1,11,592	–	–	94,811	–
ii	Financial Investments at FVOCI - Unquoted	6	–	–	13	–	–	12
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.

Notes to Accounts

(₹ in Lakhs)

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.

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, prioritisation, 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, Swiss franc 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).

Notes to Accounts

(₹ in Lakhs)

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 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 realised 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 8% (7%) 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 2021, 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 2021					As at 31 March 2020				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	615	158	22	11	117	1,609	139	14	22	136
Trade Receivable / Contract asset	275	20	–	–	–	267	6	–	–	–
Net Exposure	340	138	22	11	117	1,342	133	14	22	136

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 net exposure of major currencies is given below. This analysis assumes that all other variables remain constant.

Particular	Impact on Profit	
	As at 31 March 2021	As at 31 March 2020
USD – Increase by 5%	1,264	5,122
USD – Decrease by 5%	(1,264)	(5,122)
EURO – Increase by 5%	604	564
EURO – Decrease by 5%	(604)	(564)
GBP – Increase by 5%	113	65
GBP – Decrease by 5%	(113)	(65)
CHF – Increase by 5%	44	89
CHF – Decrease by 5%	(44)	(89)
J Yen – Increase by 5%	4	5
J Yen – Decrease by 5%	(4)	(5)

Notes to Accounts

(₹ in Lakhs)

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.

vi) **Variable Rate Borrowing**

The company has been sanctioned a Term Loan of ₹ 10,000 on 31.03.2017 [Outstanding as on 31 March 2021 is Nil (₹ 833)]. 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].

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 2021 is Nil (31 March 2020 is Nil)]. The outstanding balance as on 31.03.2021 with respect to non fund based limit is ₹ 2,80,322 (₹ 3,14,236). 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 2021

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	3,13,490	13,106	3,058	29	–	–	3,29,683
Current Maturities of Long Term Debts	–	–	–	–	–	–	–
Interest accrued and due on Trade Payables	6	–	–	–	–	–	6
Lease Liability	36	33	66	68	38	11	252
Other Financial Liabilities	74,187	5,246	16,105	501	170	–	96,209

Notes to Accounts

(₹ in Lakhs)

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

The company does not have any outstanding derivatives as on 31 March 2021.

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 ₹ 381 (₹ 1,653) is outstanding [as on 31.03.2021] 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 as on 31 March 2021 is Nil (₹ 833)] [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 2021	As at 31 March 2020
Net Debt	–	833
Total Equity	10,80,789	9,85,294
Net Debt to Equity Ratio	–	0.001:1

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 2021	As at 31 March 2020
(i) Inventories	4,91,529	3,91,020
(ii) Trade Receivables	6,55,154	6,73,291
(iii) Cash & Cash Equivalents	3,01,452	1,55,620
(iv) Bank Balances [Other than (iii) above]	1,98,000	–
(v) Loans	1,946	3,262
(vi) Other Financial Assets	4,566	2,903
(vii) Other Current Assets	6,64,576	5,94,587
Total assets pledged as security	**23,17,223**	**18,20,683**

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. **Leases (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
Recent accounting pronouncements

1. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liability should be separately disclosed under the head "Financial liability" duly distinguished as current and non current.
- Additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Notes to Accounts

(₹ in Lakhs)

- Specific disclosure under 'additional regulatory information' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

  The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

2. On June 18, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Companies (Indian Accounting Standards) Rules, 2015. These rules are called as the Companies (Indian Accounting Standards) Amendment Rules, 2021. This amendment has effect on various Indian Accounting Standards applicable to the company and are applicable for the accounting period beginning on or after 1 April 2021. The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

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, revenue is recognised at most likely amount to be realised from customer in line with contractual terms.

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 accrual basis.

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 account 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.

Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and cumulative impairment losses, if any.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on derecognition of intangible assets, if any, are recognised in the statement of profit and loss.

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 property, plant and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment) is included in the statement of profit and loss when the property, plant and equipment 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 property, plant and equipment.

Subsequent measurement of right-of-use asset is made using Cost model.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing.

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 other comprehensive income or equity is recognised in other comprehensive income or equity respectively 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.

In cases where a trend is not ascertainable, provision for warranty is made based on the best estimates of management.

21. Foreign currency transactions and translation

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 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

Bengaluru
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

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 our report on internal financial controls. This Independent auditor's report supersedes our report issued on 22 June 2021.

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 2021, 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, 2021, 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.

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	**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.

Sr. No.	Key Audit Matter	Auditor's Response
	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)	(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 statement 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 contracts and tested the effectiveness of the controls towards cost incurred and estimated costs of fulfilling the contract. (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.

Sr. No.	Key Audit Matter	Auditor's Response
		(iv) Verified the purchase order issued for satisfying the performance obligation 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 statement 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 of continuing and existing contracts 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 obligation 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. (vi) Performed analytical procedures and test of details for reasonableness of cost incurred and estimated cost to be incurred.

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 with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of 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

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 48,170 lakhs as at 31 March, 2021, total revenue of Rs. 9,418 lakhs and net cash flows amounting to Rs. (3,716) 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 Rs 759 lakhs for the year ended 31 March, 2021, whose financial statements have not been audited by us.

The consolidated financial statement reflects assets of the associate of Rs. 18,989 lakhs as "Investment in associate" and include Associate's share of net profit (including other comprehensive income) of Rs. 3,046 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.

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 with reference to consolidated financial statement 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 do 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: 21223118AAAAEL9283

Bengaluru
17.08.2021

Annexure A to the Independent Auditor's Report

(Referred to in our report of even date)

Report on the Internal Financial Controls with Reference to Consolidated Financial Statements 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, 2021, we have audited the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note 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 with reference to consolidated financial statements 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 and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements of the Holding company and its subsidiaries and its associate.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and 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 with reference to consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over with reference to consolidated financial statements 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 with reference to consolidated financial statements 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: 21223118AAAAEL9283

Bengaluru
17.08.2021

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

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प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर – 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT and ex-Officio MEMBER, AUDIT BOARD, BENGALURU - 560 001.

दिनांक/ DATE. 19th August 2021

To
Mrs. Anandi Ramalingam,
Chairman and Managing Director,
M/s. Bharat Electronics Limited,
PO Nagavara, Outer Ring Road
Bengaluru – 560 045.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2021.

I forward **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2021.

It may please be ensured that the comments are:

(i) Printed in toto without any editing;

(ii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013; and

(iii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Arun Kumar V.M.)
Deputy Director (Admin)

Encl: As above.

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

दू.भा./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in
फैक्स /Fax : 080-2226 2491

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 BHARAT ELECTRONICS LIMTED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of **Bharat Electronics Limted, Bengaluru** for the year ended 31 March 2021 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) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 17 August 2021 which supersedes their earlier Audit Report dated 22 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Bharat Electronics Limted, Bengaluru** for the year ended 31 March 2021 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **Bharat Electronics Limted, Bengaluru, BEL Thales Systems Limted, Begaluru and BEL Optronic Devices Limited, Pune** for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to GE BE Private Limited, Bengaluru being private entity for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India 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.

In view of the revision made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

19/08/2021

(Santosh Kumar)
Principal Director of Commercial Audit

Place: Bengaluru
Date: 19 August 2021

Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1	2,48,550	2,56,777
(b) Capital work-in-progress	2	39,747	24,671
(c) Investment property	3	8	9
(d) Other intangible assets	4	16,656	14,473
(e) Intangible assets under development	5	48,521	58,127
(f) Investment in associate		18,989	16,209
(g) Financial assets			
(i) Investments	6	1,11,605	94,823
(ii) Trade receivables	7	–	–
(iii) Loans	8	3,360	3,233
(iv) Other financial assets	9	247	2,920
(h) Deferred tax assets (net)	10	46,346	49,870
(i) Inventories	11	3,938	5,255
(j) Other non current assets	12	39,669	34,655
		5,77,636	**5,61,022**
(2) Current assets			
(a) Inventories	11	4,96,798	3,95,830
(b) Financial assets			
(i) Trade receivables	7	6,56,199	6,72,402
(ii) Cash & cash equivalents	13	3,04,290	1,62,063
(iii) Bank balances [other than (ii) above]	14	2,03,086	3,987
(iv) Loans	8	1,566	1,734
(v) Other financial assets	9	4,652	3,180
(c) Current tax assets (net)	15	13,588	28,495
(d) Other current assets	12	6,91,378	6,06,118
		23,71,557	**18,73,809**
TOTAL ASSETS		**29,49,193**	**24,34,831**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	24,366	24,366
(b) Other equity		10,81,592	9,82,787
Total equity attributable to the owners of the company		**11,05,958**	**10,07,153**
Non controlling interest		1,499	1,417
Total equity		**11,07,457**	**10,08,570**

Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred income	**17**	16,499	18,196
(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		29	20
(iii) Other financial liabilities	**20**	788	4,934
(c) Provisions	**21**	1,41,203	1,16,427
(d) Deferred tax liabilities (net)	**10**	36	–
(e) Other non-current liabilities	**22**	–	112
		1,58,555	**1,39,689**
(2) Current liabilities			
(a) Deferred income	**17**	1,711	1,750
(b) Financial liabilities			
(i) Trade payables	**19**		
– total outstanding dues of micro enterprises & small enterprises; and		15,343	6,503
– total outstanding dues of creditors other than micro enterprises & small enterprises		3,14,479	2,38,510
(ii) Other financial liabilities	**20**	96,322	83,880
(c) Other current liabilities	**22**	12,20,298	9,22,478
(d) Provisions	**21**	35,028	33,451
(e) Current tax liabilities (net)	**15**	–	–
		16,83,181	**12,86,572**
TOTAL EQUITY AND LIABILITIES		**29,49,193**	**24,34,831**

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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Consolidated Statement of Profit and Loss

(₹ in Lakhs)

	Particulars	Note No.	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
I	Revenue from operations	23	14,10,869	12,96,767
II	Other income	24	12,496	9,940
III	**Total income (I + II)**		**14,23,365**	**13,06,707**
IV	**EXPENSES**			
	(a) Cost of material consumed		6,67,816	5,86,926
	(b) Cost of stores & spares consumed		3,936	2,774
	(c) Consumption of stock in trade		1,23,321	95,097
	(d) Changes in inventories of finished goods, work in progress & scrap	25	(12,469)	24,931
	(e) Employee benefits expense	26	1,95,589	2,07,474
	(f) Finance costs	27	637	360
	(g) Depreciation and amortisation expense	28	38,732	37,186
	(h) Other expenses	29	1,11,625	1,04,119
	TOTAL EXPENSES (a to h)		**11,29,187**	**10,58,867**
V	**Profit before exceptional items, share of net profit of associate accounted under equity method & tax (III - IV)**		**2,94,178**	**2,47,840**
VI	Exceptional items		–	–
VII	**Profit before share of net profit of associate accounted under equity method & tax (V - VI)**		**2,94,178**	**2,47,840**
VIII	**Tax Expense**	10		
	– Current tax		82,654	75,767
	– Earlier years tax		(2,492)	(4,047)
	– Deferred tax		7,082	(3,143)
	Total provision for taxation		**87,244**	**68,577**
IX	**Profit before share of net profit of associate accounted under equity method (VII - VIII)**		**2,06,934**	**1,79,263**
X	Share of net profit of associate accounted under equity method		3,042	3,209
XI	**Profit for the year (IX + X)**		**2,09,976**	**1,82,472**
XII	**Other comprehensive income / (loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	– Remeasurement of the net defined benefit liability/asset		(11,703)	(6,128)
	– Equity instruments through other comprehensive income		1	2
	– Share of other comprehensive income of associate accounted under equity method (net of tax)		4	(24)
	– Income tax relating to these items		2,947	2,048
	Total other comprehensive income / (loss) (net of tax)		**(8,751)**	**(4,102)**
XIII	**Total comprehensive income for the year (XI + XII) [comprising profit and other comprehensive income for the year]**		**2,01,225**	**1,78,370**

Consolidated Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
XIV Net profit / (loss) attributable to			
a) Owners of the company		2,09,894	1,82,385
b) Non controlling interest		82	87
Other comprehensive income attributable to			
a) Owners of the company		(8,751)	(4,102)
b) Non controlling interest		–	–
Total comprehensive income attributable to			
a) Owners of the company		2,01,143	1,78,283
b) Non controlling interest		82	87
XV Earnings per equity share (face value of INR 1/- each) :	**30(1)**		
(1) Basic [in INR]		8.62	7.49
(2) Diluted [in INR]		8.62	7.49

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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Consolidated Statement of Changes in Equity

(₹ in Lakhs)

A. Equity Share Capital

Particulars	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**

Particulars	Note No.	Amount
Balance as at 1 April 2020		24,366
Changes in equity share capital during the year		
– Issue of shares	16	–
– Buyback of shares		–
Balance as at 31 March 2021		**24,366**

B. Other equity

Particulars	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		–	–	–	–	182,472	–	–	87	182,559
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**

Consolidated Statement of Changes in Equity

(₹ in Lakhs)

Particulars	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 2020		**4,669**	**362**	**1,868**	**3,59,546**	**6,35,899**	**7**	**(19,564)**	**1,417**	**9,84,204**
Profit for the year		–	–	–	–	209,976	–	–	82	210,058
Consolidation adjustments		–	–	–	–	(82)	–	–	–	(82)
Addition during the year		–	–	–	–	–	1	(8,752)	–	(8,751)
Total		**4,669**	**362**	**1,868**	**3,59,546**	**8,45,793**	**8**	**(28,316)**	**1,499**	**11,85,429**
Amount transfer to general reserve		–	–	–	40,000	(40,000)	–	–	–	–
Amount transfer to capital reserve		–	–	–	–	–	–	–	–	–
Transaction with owners in their capacity as owner										
Dividends	16	–	–	–	–	(1,02,338)	–	–	–	(102,338)
Issue of shares	16	–	–	–	–	–	–	–	–	–
Buyback of shares	16	–	–	–	–	–	–	–	–	–
Balance as at 31 March 2021		**4,669**	**362**	**1,868**	**3,99,546**	**7,03,455**	**8**	**(28,316)**	**1,499**	**10,83,091**

* 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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit after share of associate but before exceptional items and tax	2,97,220	2,51,049
Adjustments for:		
Depreciation and amortisation expense	38,732	37,186
Provision for intangible assets under development	7,213	–
Intangible assets under development charged off	75	–
Capital WIP charged off	1,468	–
Contract costs charged off	–	1,247
Corporate social responsibility	4,711	3,117
Transfer from government grants	(1,736)	(1,998)
Interest income	(6,050)	(7,058)
Interest on lease liability	24	28
Finance costs	613	332
Profit on sale of property, plant & equipment	(121)	(21)
Operating Profit Before Working Capital Changes	**3,42,149**	**2,83,882**
Increase / (Decrease) due to:		
Trade receivables	16,203	(1,35,035)
Loans	41	(597)
Other financial assets	1,325	421
Other assets	(90,274)	(1,36,528)
Inventories	(99,651)	47,364
Trade payables	84,818	1,01,602
Other financial liabilities	8,183	(9,925)
Provisions	14,650	3,304
Other liabilities	2,97,708	1,75,880
Current tax assets	(12,523)	(15,903)
Cash Generated from Operations	**5,62,629**	**3,14,465**
Income taxes paid (net)	(53,307)	(57,424)
Cash Flow Before Exceptional Items	**5,09,322**	**2,57,041**
Exceptional items	–	–
Net Cash from / (used in) Operating Activities	**5,09,322**	**2,57,041**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipments and other intangible assets	(46,925)	(76,220)
Less: Receipt of grant	–	1,562
Purchase of property, plant & equipment and other intangible assets (net)	(46,925)	(74,658)
Proceeds from sale of property, plant & equipment	133	86
Increase / (Decrease) in term deposits & other bank balances	(1,99,223)	17,230
Other investments	(19,557)	(14,612)
Interest received	6,050	7,058
Net Cash from / (used in) Investing Activities	**(2,59,522)**	**(64,896)**

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / Repayment from borrowings (net)	(833)	(2,501)
Corporate Social Responsibility (CSR) expenditure	(3,670)	(5,042)
Dividend paid (including tax on dividend)	(1,02,274)	(98,017)
Repayment of lease liabilities	(159)	(132)
Interest on lease liability	(24)	(28)
Finance costs	(613)	(332)
Net Cash from / (used in) Financing Activities	**(1,07,573)**	**(1,06,052)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**1,42,227**	**86,093**
Cash and Cash Equivalents at the beginning of the year	**1,62,063**	**75,970**
Cash and Cash Equivalents at the end of the year	**3,04,290**	**1,62,063**

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 (Nil)
   (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

Bengaluru
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
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 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	Accumulated depreciation/ Amortisation as at 1 April 2020	Depreciation/ Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned Asset										
Freehold land	13,711	–	–	13,711	–	–	–	–	13,711	13,711
Roads and culverts	2,191	25	–	2,216	281	115	–	396	1,820	1,910
Buildings	76,614	6,212	–	82,826	8,995	3,163	–	12,158	70,668	67,619
Installations	4,365	532	50	4,847	2,053	429	50	2,432	2,415	2,312
Plant and machinery	1,48,160	13,264	150	1,61,274	55,391	15,195	144	70,442	90,832	92,769
Electronic equipments	58,210	1,982	45	60,147	30,075	7,771	44	37,802	22,345	28,135
Equipment for R & D lab	43,197	3,775	14	46,958	23,230	7,044	14	30,260	16,698	19,967
Vehicles	713	173	11	875	421	125	6	540	335	292
Office equipments	10,624	1,668	32	12,260	6,210	1,656	29	7,837	4,423	4,414
Furniture, fixtures and equipments	8,807	664	32	9,439	4,098	948	32	5,014	4,425	4,709
Assets acquired for sponsored research	65	–	–	65	65	–	–	65	–	–
Right of Use Asset										
Leasehold land	20,721	118	–	20,839	62	141	–	203	20,636	20,659
Lease of Buildings	400	109	69	440	120	147	69	198	242	280
Total	**3,87,778**	**28,522**	**403**	**4,15,897**	**1,31,001**	**36,734**	**388**	**1,67,347**	**2,48,550**	**2,56,777**

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	56,989	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 equipments	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 equipments	9,700	960	36	10,624	4,657	1,584	31	6,210	4,414	5,043
Furniture, fixtures and 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**

* In respect of Parent Company, additions to lease of buildings includes ₹ 365 on transition to Ind AS 116 on 01.04.2019.

Notes to Accounts

(₹ in Lakhs)

i. Freehold Land consists of 2072.87 acres (2072.87 acres) and Leasehold Land consists of 951.58 acres (951.58 acres).

ii. Freehold Land includes 7.21 acres (7.21 acres) leased to commercial / religious organisations and in their possession.

iii. Leasehold land includes 9.62 acres (Nil) leased to Government Organisation and is in their possession.

iv. Freehold land includes 2.2 acres (2.2 acres), land purchased at Gudibande Taluk, Chikkaballapur District, Karnataka for Long range communication test facility for defence equipment.

v. Leasehold Land includes 5.94 acres (5.94 acres) acquired for construction of Regional Product Support Centre at Jodhpur.

The subsidiary company [BELOP] has acquired 3.38 acres (3.38 acres) of land on lease from MIDC for 95 years at a cost of ₹ 21 (₹ 21) on 25.11.1991 with renewable option of further 95 years on new terms and conditions.

vi. Additions to R&D assets of Parent company includes, ₹ 2,074 (₹ 1,019), and ₹ 17 (₹ 14) in respect of the assets of Central Research Laboratories / Product Development and Innovative Centre and Pune unit, accounted under natural code heads.

vii. 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).

viii. **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 ₹ 2,105 (₹ 2,062) in respect of Wind Mill & Solar Power Plants.

ix **Contractual Commitments**

Refer Note 30 (9) for outstanding Contractual Commitments.

x. **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.

xi. **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 of the Parent company is as follows:

Asset Class	Years
Buildings	20 - 40
Roads & Culverts	20 - 40
Installations	10
Plant & Machinery	2 - 25
Electronic Equipments	5 - 7
Vehicles	4 - 5
Office Equipments	5 - 7
Furniture, Fixtures and equipments	6 - 10
Equipments for R&D Lab	5

Notes to Accounts

(₹ in Lakhs)

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

xii. **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.

xiii. **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).

xiv. **Impairment of Assets**

Refer Note 30 (7).

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. 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.

c. Land admeasuring to 122.82 acres (122.82 acres) at Ibrahimpatnam alloted by APIIC / TSIIC possession is given for which sale deed is pending.

d. 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 freehold 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.

e. 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.

f. The Company has installed Windmill Generator at three locations. Out of which : 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

Notes to Accounts

(₹ in Lakhs)

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.

g. 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.

h. Leasehold land admeasuring 8.93 acres (8.93 acres) in Pathankot is pending for registration. No provision towards registration and other cost has been made in the books of accounts for pending registration.

i. Land admeasuring to 6.20 acres (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.

j. Sale deed is pending for finalisation of the land admeasuring to 913.99 acres (913.99 acres) at Palasamudram, Ananthapur Dist. AP

k. Leasehold land admeasuring 197.68 acres (197.68 acres) at 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.

xix. Parent company has paid prepaid rent for 3 MW Hassan & 8.4 MW Davangere windmill plants capitalised as Right of Use on transition to Ind AS 116.

xx. Parent company has land admeasuring to 31.15 acres (31.15 acres) located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and the cost of land along with the cost of registration of ₹ 7,974 (₹ 7,856) capitalised under Lease hold land. As per the terms of the lease agreement, on successful commencement of the project the same will be converted as freehold land.

xxi. Borrowing cost of ₹ 729 (₹ 484) (net of interest income) towards Employee quarters is capitalised. Capitalisation rate is 6.47% p.a. (6.47% p.a.)

xxii. **Compensation from Third Parties :-**

The Parent company has received an amount of Nil (₹ 109) through insurance claim for loss of assets in fire having Net book value of Nil (₹ 43).

xxiii. **Security, Hypothecation etc**

Refer Note 35.

NOTE 2
Capital work-in-progress

Particulars	As at 31 March 2021		As at 31 March 2020	
Civil Construction	12,193		9,532	
Plant & Machinery	21,365		8,897	
Others	4,489		3,550	
Capital Items in Transit	1,824		2,816	
		39,871		**24,795**
Less : Provision for impairment		(124)		(124)
		39,747		**24,671**

Notes to Accounts

(₹ in Lakhs)

i. Civil construction mainly comprises of Production related building, R&D building & Employee Quarters.

ii. Borrowing costs of ₹ 245 (₹ 490) [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. (6.47% p.a.)

iii. Refer Note 30 (9) in respect of contractual commitments.

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 as the contractor to whom the work was awarded has 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 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Freehold land *	–	–	–	–	–	–	–	–	–	–
Buildings	14	–	–	14	5	1	–	6	8	9
Total	**14**	**–**	**–**	**14**	**5**	**1**	**–**	**6**	**8**	**9**

* Freehold land of Parent company includes INR 3,830 (INR 3,830) [represents absolute figure] which is rounded off.

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**

* 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**

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
a. Rental Income	150	145
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	149	144

Notes to Accounts

(₹ in Lakhs)

ii. Refer Note 30(9) for Contractual Commitments.

iii. **Fair Value of the investment properties**

Particulars	As at 31 March 2021	As at 31 March 2020
Land	2,255	2,256
Building	903	895

iv. Land comprises of Freehold Land of 1.48 acres (1.48 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.

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 realisability 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, Nil (INR 95) [represents absolute figure] is transferred from investment property to freehold land.

Notes to Accounts

(₹ in Lakhs)

NOTE 4
Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2020	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 March 2021	Accumulated amortisation as at 1 April 2020	Amortisation for the year	Deductions/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible assets - others										
Computer operating system*	2	–	–	2	1	–	–	1	1	1
Licencing fee	18,424	–	–	18,424	6,250	1,250	–	7,500	10,924	12,174
Software licenses / implementation Enterprise resource planning (ERP)	285	6	–	291	255	31	–	286	5	30
Others (Development Cost) **	2,745	4,174	–	6,919	477	716	–	1,193	5,726	2,268
Total	**21,456**	**4,180**	**–**	**25,636**	**6,983**	**1,997**	**–**	**8,980**	**16,656**	**14,473**

* Amortisation for the year includes INR 18,863 (INR 18,863) [represents absolute figure] which is rounded off.
** Includes funding to other development agencies.

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 1 April 2020	Accumulated amortisation as at 1 April 2019	Amortisation for the year	Deductions/ Adjustments during the year	As at 1 April 2020	As at 1 April 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**

* Amortisation for the year includes INR 18,863 (INR 18,863) [represents absolute figure] which is rounded off.

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.

Notes to Accounts

(₹ in Lakhs)

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)	3 - 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.

NOTE 5
Intangible assets under development

Particulars	As at 31 March 2021	As at 31 March 2020
Internally developed *	55,734	58,127
Less: Provision for impairment	(7,213)	–
	48,521	**58,127**

* Includes funding to other development agencies.

i. Refer Note 30 (9) for Contractual Commitments.

ii. **Impairment of Assets [Parent company]**

An amount of ₹ 7,213 (Nil) has been provided as impairment loss since the development activity is not being continued at present and also as per company's assessment the probability of generating economic benefits is not certain (Refer Note 30 (7)).

Notes to Accounts

(₹ in Lakhs)

NOTE 6
Investments

Particulars	As at 31 March 2021	As at 31 March 2020
(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	12	11
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) equity shares of INR 50 each fully paid	–	–
Sukh Sagar Premises Co-op. Society, Mumbai 10 (10) equity shares of INR 50 each fully paid	–	–
Shri.Sapta Ratna Co-op. Society Ltd., Mumbai 10 (10) equity shares of INR 50 each fully paid	–	–
Dalamal Park Co-op. Society Ltd., Mumbai 5 (5) equity shares of INR 50 each fully paid	–	–
Chandralok Co-op. Housing Society Ltd., Pune 30 (30) equity shares of INR 50 each fully paid	–	–
b) Others (at FVTPL)		
Life Insurance Corporation of India – (Refer Note ii)	1,11,592	94,811
	1,11,605	**94,823**

* 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

Particulars	2020-21	2019-20
Aggregate value of quoted investments and market value thereof	–	–
Aggregate value of unquoted investments	1,11,605	94,823
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.

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.

Notes to Accounts

(₹ in Lakhs)

An amount of ₹ 5,000 has been provided towards contribution to initial corpus fund and out of which, an amount of ₹ 4,000 (₹ 4,000) is pending for disbursement.

v. a. The parent company have designated investment in equity shares of Mana Effluent Treatment Plant Ltd., Hyderabad 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 2021	Dividend income recognised during 2020-21	Fair value as at 31 March 2020	Dividend income recognised during 2019-20
Investment in Mana Effluent Treatment Plant Ltd..	12	–	11	–
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 2020-21, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

NOTE 7
Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Unsecured, Considered Doubtful		
Trade receivables	1,43,607	1,34,875
Less: Provision*	(1,43,607)	(1,34,875)
Sub total (A)	**–**	**–**
Current		
Secured, considered good	901	498
Unsecured, considered good	6,55,298	6,71,904
Sub total (B)	**6,56,199**	**6,72,402**
Total (A+B)	**6,56,199**	**6,72,402**

* 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.

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. Balance amount receivable is classified as Trade receivable.

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.

NOTE 8
Loans

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Unsecured, Considered Good		
Security deposits	2,624	2,537
Loans to employees	736	696
	3,360	**3,233**
Unsecured, Considered Doubtful		
Security deposits	104	81
Less: Provisions	(104)	(81)
	–	**–**
Others		
Loans to employees	1	1
Less: Provisions	(1)	(1)
	–	**–**
Loans to others	132	132
Less: Provisions*	(132)	(132)
	–	**–**
Sub total (A)	**3,360**	**3,233**
Current		
Unsecured, Considered Good		
Security deposits	1,414	1,567
Others		
Loans to employees	152	167
Sub total (B)	**1,566**	**1,734**
Total (A+B)	**4,926**	**4,967**

* includes ₹ 132 (₹ 132) in respect of loans which are credit impaired.

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.

Notes to Accounts

(₹ in Lakhs)

NOTE 9
Other Financial Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Unsecured, Considered Good		
Receivables other than trade receivables	26	77
Interest accrued on term deposits	–	4
Bank deposits with more than 12 months maturity	195	71
Other assets	26	2,768
	247	**2,920**
Unsecured, Considered Doubtful		
Advance to others	12	12
Less: Provisions	(12)	(12)
	–	–
Receivables other than trade receivables	966	966
Less: Provisions *	(966)	(966)
	–	–
Other assets	74	74
Less: Provisions	(74)	(74)
	–	–
Sub total (A)	**247**	**2,920**
Current		
Unsecured, Considered Good		
Advance to employees	165	178
Advance to others	5	2
Interest accrued but not due on term deposits	1,300	299
Receivables other than trade receivables	588	979
Other assets	2,594	1,722
Sub total (B)	**4,652**	**3,180**
Total (A+B)	**4,899**	**6,100**

* Refer Note 30 (18).

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 (Nil) has been added in other assets with respect to Property, Plant and Equipment not in active use and pending for disposal.

Notes to Accounts

(₹ in Lakhs)

NOTE 10
Deferred tax assets / liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets (net)		
Deferred tax assets	69,271	85,634
Deferred tax liabilities	(22,925)	(35,764)
	46,346	**49,870**
Deferred tax liabilities (net)		
Deferred tax liabilities	837	–
Deferred tax assets	(801)	–
	36	**–**

i. **Income Tax recognised in Statement of Profit or Loss**

Sl. No.	Particulars	As at 31 March 2021	As at 31 March 2020
1	**Income Tax Expenses:**		
	– Current period	82,654	75,767
	– Changes in estimates related to prior years	(2,492)	(4,047)
2	**Deferred tax:**		
	– Origination and reversal of temporary differences	7,082	(3,143)
3	**Total deferred tax expense/(benefit)**	7,082	(3,143)
4	**Income tax expenses**	87,244	68,577

ii. **Income Tax recognised in other comprehensive income**

Sl. No.	Particulars	As at 31 March 2021			As at 31 March 2020		
		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)	(11,703)	2,948	(8,755)	(6,128)	(2,049)	(4,079)
2	Equity instruments through other comprehensive income	1	(1)	–	2	1	1
	Total	**(11,702)**	**2,947**	**(8,755)**	**(6,126)**	**(2,048)**	**(4,078)**

iii. **Income Tax recognised directly in Equity**

There are no income tax recognised directly in equity for the year ended 31 March 2021 & 31 March 2020.

Notes to Accounts

(₹ in Lakhs)

iv. **Reconciliation of Effective Tax Rates**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Rate	Amount	Rate	Amount
Profit Before Tax		**2,94,178**		**2,47,840**
Tax using the company's Domestic Tax Rate	25.17%	74,039	34.94%	86,605
Effect of				
Additional deduction on Research & Development Expenses	–	–	-5.72%	(14,181)
Exempt Income	–	–	-0.06%	(149)
Tax Incentives	–	–	-0.37%	(914)
Changes in estimates related to previous years	-0.64%	(1,888)	-1.63%	(4,047)
Non-deductable Expenses	0.40%	1,190	0.47%	1,159
Accelerated Depreciation for Tax Purpose	0.00%	(11)	0.00%	(1)
Impact on change in Tax Rate	4.76%	13,993	–	–
Others	-0.03%	(79)	0.04%	105
Effective Tax rate	**29.66%**	**87,244**	**27.67%**	**68,577**

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
1	Trade Receivables	(10,198)	(14,570)	–	–	(10,198)	(14,570)
2	Inventory	(11,039)	(14,954)	–	–	(11,039)	(14,954)
3	Provision others	(14,830)	(18,168)	–	–	(14,830)	(18,168)
4	Employee Benefits	(30,561)	(35,018)	–	699	(30,561)	(34,319)
5	Other Intangible Assets	–	–	1,002	704	1,002	704
6	Deferred Revenue	(268)	(373)	–	–	(268)	(373)
7	Other Assets	–	–	1	1	1	1
8	Property, plant and equipment	(7)	–	18,287	27,071	18,280	27,071
9	ICDS Adjustment	–	–	–	–	–	–
10	Equity Investments	–	–	3	2	3	2
11	Other Financial Liabilities	–	–	7	10	7	10
12	Provision for Impairment	(2,687)	(2,006)	–	–	(2,687)	(2,006)
13	Intangible Assets under development	–	–	4,463	7,277	4,463	7,277
14	Trade Payables	(6)	(6)	–	–	(6)	(6)
15	Tax loss	–	(54)	–	–	–	(54)
16	Bonus	(1)	–	–	–	(1)	–
17	Superannuation	(17)	(12)	–	–	(17)	(12)
18	MAT Credit	(458)	(473)	–	–	(458)	(473)
19	**Total**	**(70,073)**	**(85,634)**	**23,763**	**35,764**	**(46,310)**	**(49,870)**
20	Set off of (Asset)/Liability	23,727	35,764	(23,727)	(35,764)	–	–
	Net Deferred Tax (Asset)/Liability	**(46,346)**	**(49,870)**	**36**	**–**	**(46,310)**	**(49,870)**

Notes to Accounts

(₹ in Lakhs)

vi. **Movement of Deferred Tax (Assets) & Liabilities**

Sl. No.	Particulars	Balance as on 1 April 2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as on 31 March 2021
1	Trade Receivables	(14,570)	4,372	–	(10,198)
2	Inventory	(14,954)	3,915	–	(11,039)
3	Provision others	(18,168)	3,338	–	(14,830)
4	Employee Benefits	(34,319)	7,295	(3,537)	(30,561)
5	Other Intangible Assets	704	298	–	1,002
6	Deferred Revenue	(373)	105	–	(268)
7	Other Assets	1	–	–	1
8	Property, Plant and Equipment	27,071	(8,791)	–	18,280
9	ICDS Adjustment	–	–	–	–
10	Equity Investments	2	–	1	3
11	Other Financial Liabilities	10	(3)	–	7
12	Provision for Impairment	(2,006)	(681)	–	(2,687)
13	Intangible Assets under development	7,277	(2,814)	–	4,463
14	Trade Payables	(6)	–	–	(6)
15	Tax Loss	(54)	54	–	–
16	Bonus	–	(1)	–	(1)
17	Superannuation	(12)	(5)	–	(17)
18	MAT Credit	(473)	–	–	(458)
	Total	**(49,870)**	**7,082**	**(3,536)**	**(46,310)**

Note: In respect of subsidiary BELOP, MAT Credit availed during the year is (₹ 15) ₹ 14 related to earlier year.

vii. **Movement of Deferred Tax Assets & Liabilities**

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-20	Recognised in OCI during 2019-20	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	Plant Property and Equipment	26,997	75	–	27,071
9	ICDS Adjustment	–	–	–	–

Notes to Accounts

(₹ in Lakhs)

Sl. No.	Particulars	Balance as on 1 April 2019	Recognised in P&L during 2019-20	Recognised in OCI during 2019-20	Balance as on 31 March 2020
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)	–	–	(473)
	Total	**(47,201)**	**(3,143)**	**489**	**(49,870)**

viii. **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 2021	As on 31 March 2020
Tax Losses	Holding Company	There are no temporary differences on which Deferred Tax (Assets)/Liability have not been recognised	
	BELOP		
	BEL-Thales Systems	548	652

ix. **Tax Losses carried forward**

Particulars	Entity	As on 31 March 2021		As on 31 March 2020	
		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		–	–	209	–
Expire	BEL-Thales Systems	469	2023-27	572	2023-27
Never Expire		80	–	80	–

x. The tax rate used for reconciliation is the corporate tax rate of 25.168% (34.944%) payable by corporate entities on taxable profits under Income Tax Act, 1961. During the year, the Company has opted for lower tax rate under section 115 BAA of Income Tax Act, 1961 inserted vide Taxation law (Amendment) Act, 2019.

Notes to Accounts

(₹ in Lakhs)

NOTE 11
Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Raw Materials & Components	47,121	47,562
Add: Raw Materials & Components in Transit	91	108
Less: Provisions	(43,364)	(42,521)
	3,848	**5,149**
Stock in Trade	188	54
Less: Provisions	(188)	(54)
	–	–
Stores & Spares	257	264
Less: Provisions	(236)	(198)
	21	**66**
Loose Tools	147	119
Less: Provisions	(78)	(79)
	69	**40**
Sub total (A)	**3,938**	**5,255**
Current		
Raw Materials & Components	2,90,099	2,13,313
Add: Raw Materials & Components in Transit	29,168	22,781
	3,19,267	**2,36,094**
Work in Progress	1,38,550	1,29,731
Finished Goods	17,874	21,632
Add: Finished Goods in Transit	9,801	2,514
	27,675	**24,146**
Stock in Trade	6,053	971
Add: Stock in Trade in Transit	–	38
	6,053	**1,009**
Stores & Spares	4,407	3,928
Add: Stores & Spares in Transit	6	69
	4,413	**3,997**
Loose Tools	747	880
Add: Loose Tools in Transit	–	1
	747	**881**
Disposable Scrap	323	193
	4,97,028	**3,96,051**
Unrealised profit on unsold inventory	(230)	(221)
Sub total (B)	**4,96,798**	**3,95,830**
Total (A+B)	**5,00,736**	**4,01,085**

Notes to Accounts

(₹ in Lakhs)

i. Raw Materials and Components include ₹ 8,440 (₹ 9,644) being materials with sub-contractors, out of which ₹ 694 (₹ 367) of materials is subject to confirmation and reconciliation. Against ₹ 694 (₹ 367), an amount of ₹ 694 (₹ 366) has been provided for.

ii. **Stock verification discrepancies for the year are as follows:**

Shortages of ₹ 473 (₹ 1,294) and surplus of ₹ 405 (₹ 412). Pending reconciliation, an amount of ₹ 68 (₹ 887) 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	2020-21	2019-20
i	Depreciation	287	273
ii	Operation Cost of Emission Reduction Equipments	154	203
Total		441	476

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 ₹ 1,599 (₹ 5,067) has been recognised in the statement of profit and loss.

vii. Reversal of write down of inventories of ₹ 1,985 (₹ 3,389) 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 ₹ 4,370 (₹ 3,319) are located physically at Customer Premises.

x. The company has received / retained the assets of the customer as per the contractual terms and those do not form part of the inventory.

Notes to Accounts

(₹ in Lakhs)

NOTE 12
Other assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Capital advances	1,805	1,059
Advances for purchase	2,765	2,783
Less: Provisions	(2,765)	(2,783)
	–	–
Contract asset	13,363	10,226
Less: Provisions	(13,363)	(10,226)
	–	–
Others		
Balances with customs, port trust and other government authorities	527	407
Less: Provisions	(397)	(277)
	130	130
Prepaid expenses	76	82
Claims receivable purchases	973	569
Less: Provisions	(973)	(569)
	–	–
Contract costs	37,578	33,304
Others - Assets	109	109
Less: Provisions	(29)	(29)
	80	80
Sub total (A)	**39,669**	**34,655**
Current		
Advances other than Capital advances		
Advances to employees	638	710
Advances for purchase	1,66,407	1,37,067
Contract asset	4,66,695	4,27,168
Others		
Balances with customs, port trust and other government authorities*	29,077	27,225
Prepaid expenses	5,658	3,891
Prepaid taxes	6,037	6,761
Claims receivable purchases	1,431	2,072
Contract costs	14,392	–
Others - Assets	1,043	1,224
Sub total (B)	**6,91,378**	**6,06,118**
Total (A+B)	**7,31,047**	**6,40,773**

* Pending decision from Hon'ble High Court of Madras, ₹ 1,497 (₹ 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 group.

ii. **Impairment of contract asset**

Impairment of contract asset is ₹ 3,210 (₹ 1,073).

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 ₹ 7,527 (₹ 6,163). Impairment of contract costs recognised is Nil (Nil).

iv. **Fair value Measurement**

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Contract Asset	–	–	466,695	–	–	427,168

v Closing balance of contract cost represents, cost to obtain the contract from customer ₹ 6,329 (₹ 4,659) and cost to fulfill the contract is ₹ 45,641 (₹ 28,645).

NOTE 13
Cash & Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks	51,511	36,253
Cash on hand	1	3
Term deposits	2,52,778	1,25,807
	3,04,290	**1,62,063**

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 upto Twelve months have been included in Bank balances (Refer Note 14) and Term Deposits with original maturity period beyond Twelve months have been included in Other financial assets (Refer Note 9).

ii. Refer Note 33 for classification of financial instruments.

iii. **Balance with banks include [Parent Company]**

a. Pursuant to the stay order received from Honorable High Court of Karnataka, bank authorities have held ₹ 46 (Nil) based on the Garnishee order issued by the recovery Officer - ESI Corporation.

b. The bank authorities have held ₹ 66 (Nil) pursuant to the order received from Madhya Pradesh VAT authorities (Jabalpur).

iv. There are no repatriation restriction with regard to Cash and cash equivalents.

Notes to Accounts

(₹ in Lakhs)

NOTE 14
Bank Balances [other than (ii) above]

Particulars	As at 31 March 2021	As at 31 March 2020
Term deposits	2,01,830	3,839
Unpaid dividend account *	1,256	148
	2,03,086	**3,987**

* Includes ₹ 1,045 of tax withheld on distribution of dividend [Parent company].

i. Refer Note 33 for classification of financial instruments.

ii. There are no repatriation restrictions with regard to bank balances.

NOTE 15
Current Tax Assets / Liability

Particulars	As at 31 March 2021	As at 31 March 2020
Current Tax Assets (net)		
Advance payment of income tax	13,588	28,495
	13,588	**28,495**
Current tax liability (net)		
Provision for taxation	–	–
	–	**–**

NOTE 16
a. Equity share capital

	Particulars	As at 31 March 2021	As at 31 March 2020
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 2021		As at 31 March 2020	
	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 2021		As at 31 March 2020	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Government of India	124,59,73,978	51.14%	124,59,73,978	51.14%
CPSE Exchange Traded Scheme (CPSE ETF)	13,75,69,765	5.65%	–	–
HDFC Trustee Company Ltd - A/C HDFC MID CAP OPPORTUNITIES FUND	13,63,88,678	5.60%	–	–

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	2015-16	2016-17	2017-18	2018-19	2019-20
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	2015-16	2016-17	2017-18	2018-19	2019-20
No. of shares	–	1,66,37,207	2,03,97,780	–	–

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.

Particulars	As at 31 March 2021	As at 31 March 2020
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.

Notes to Accounts

(₹ in Lakhs)

xii. **a) Interim Dividend and Final Dividend**

	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Final dividend for FY 2019-20 and FY 2018-19 respectively.	34,112	41,422
Interim dividend for FY 2020-21 and FY 2019-20 respectively.	68,225	34,112
Dividend Distribution Tax.	–	15,439

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).

NOTE 17
Deferred Income

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Government grants - deferred	16,499	18,196
Sub total (A)	**16,499**	**18,196**
Current		
Government grants - deferred	1,711	1,750
Sub total (B)	**1,711**	**1,750**
Total (A+B)	**18,210**	**19,946**

Notes to Accounts

(₹ in Lakhs)

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	18,210	19,946
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 [Parent company].

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 2020-21 towards ToT has been transferred to income in the Statement of Profit and Loss.

NOTE 18
Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Secured		
Term loan from banks	–	–
	–	–

i. **Term Loan from Banks**

Particulars	2020-21	2019-20
Total liability as on Balance Sheet Date	–	833
Less: Current Maturities of Long Term Debt *	–	833
Less: Interest accrued and due on Term Loan	–	–
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.

Notes to Accounts

(₹ in Lakhs)

iv **Rate of Interest:**

In case of Parent company, rate of interest is 7.75% 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.

NOTE 19
Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
- Others	29	20
Sub total (A)	**29**	**20**
Current		
- Dues to micro & small enterprises	15,343	6,503
- Others	3,14,479	2,38,510
Sub total (B)	**3,29,822**	**2,45,013**
Total (A+B)	**3,29,851**	**2,45,033**

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 2021 is furnished below:

Particulars	2020-21	2019-20
a. The principal and the interest due thereon remaining unpaid as at 31 March:		
Principal *	15,551	6,773
Interest	6	7
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
Interest	5	1
c. The interest reversed by the company during the year ended 31 March	–	–
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.	6	7
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.	4	5

* Includes amount shown under Note 20.

** Includes INR 3,499 [respresents absolute figure] which is rounded off. (Parent company).

Notes to Accounts

(₹ in Lakhs)

Also includes Interest due and payable for principals already paid Nil (INR 336) [represents absolute figure] is rounded off and INR 22,111 (INR 22,111) [represents absolute figure] as on 31.03.2021 is rounded off [BELOP].

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.

NOTE 20
Other Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Security deposits	671	4,751
Lease liability	117	183
Sub total (A)	**788**	**4,934**
Current		
Security deposits	26,607	17,648
Current maturities of long term debt[1]	–	833
Interest accrued and due on trade payables[2]	6	7
Other trade payables	20,948	14,060
Unpaid matured deposits	37	37
Unpaid dividend	211	148
Non trade payables dues to micro & small enterprises[2]	208	270
Outstanding expenses	46,709	49,580
Lease liability	135	114
Other liabilities	1,461	1,183
Sub total (B)	**96,322**	**83,880**
Total (A+B)	**97,110**	**88,814**
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.

Notes to Accounts

(₹ in Lakhs)

NOTE 21
Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Employee Benefits		
Long-term compensated absences	36,560	32,954
BEL retired employees' contributory health scheme (BERECHS)	75,567	56,604
Provident fund interest obligation	–	603
Others		
Provision for onerous contracts	573	109
Provision for performance warranty	26,345	24,043
Provision for Site restoration obligation	2,158	2,114
Sub total (A)	**1,41,203**	**1,16,427**
Current		
Employee Benefits		
Gratuity *	(1,376)	1,902
Long-term compensated absences	3,728	3,138
BEL retired employees' contributory health scheme (BERECHS)	6,940	4,301
Provident fund interest obligation	–	1,231
Provision for Employee Wage Revision	–	493
Annual incentive	123	98
Others		
Provision for onerous contracts	1,248	1,555
Provision for performance warranty	24,365	20,733
Sub total (B)	**35,028**	**33,451**
Total (A+B)	**1,76,231**	**1,49,878**

* (₹ 1,501) (Nil) in respect of Parent company represent excess of plan asset over obligation.

i. **Movement of provisions for the year ended 2020-21**

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	**44,776**	**1,664**	**2,114**
Additional provision recognised during the year	27,161	1,294	44
Amount used during the year (refer note vi below)	9	–	–
Unused amount reversed during the year	21,218	1,137	–
As at 31 March	**50,710**	**1,821**	**2,158**

Notes to Accounts

(₹ in Lakhs)

Movement of provisions for the year ended 2019-20

Particulars	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	–	–
Amount reversed during the year	29,438	8,291	–
As at 31 March	**44,776**	**1,664**	**2,114**

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 ₹ 7,873 (₹ 14,156) 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. Performance warranty with respect to ventilator project is based on the best estimate of the Parent company as the trend cannot be established in normal course.

(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

Notes to Accounts

(₹ in Lakhs)

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	2020-21	2019-20
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation as at the beginning of the year	71,304	63,187
	Current Service Cost	1,783	1,713
	Interest Cost	4,559	4,654
	Past Service Cost	–	–
	Benefits paid	(5,490)	(4,870)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on planned liability - loss / (gain)	(1,938)	5,957
	Experience adjustments on planned liability - loss / (gain)	(16)	663
	Present Value of Obligation as at the end of the period	**70,202**	**71,304**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	69,702	64,322
	Expected return on plan assets	4532	4970
	Contributions	2,400	6,000
	Benefits paid	(5,490)	(4,870)
	Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	559	(720)
	Fair value of plan assets as at the end of the period	**71,703**	**69,702**
	Defined benefit (Asset) / liability	**(1,501)**	**1,602**
	Effects of asset ceiling - As at the beginning of the year	**–**	**–**
	Effects of asset ceiling - As at the end of the year	**–**	**–**
	Net defined benefit (asset) / liability	**(1,501)**	**1,602**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	1,783	1,713
	Net Interest on Net Defined Benefit Obligations	27	(317)
	Past service cost	–	–
	Expenses recognized in the statement of profit and loss	1,810	1,396
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	(1,954)	6,621
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	(559)	721

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
	Effect of Balance Sheet Asset limit	–	(81)
	Amounts recognised in the statement of Other Comprehensive Income	(2,513)	7,261
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	70,202	71,304
	Fair Value of Plan Assets at the end of the period	71,703	69,702
	Funded Status [(Surplus) / Deficit]	**(1,501)**	**1,602**
	Effects of asset ceiling - As at the beginning of the year	**–**	**–**
	Effects of asset ceiling - As at the end of the year	**–**	**–**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**(1,501)**	**1,602**
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows :		
	State Govt. Securities	0.11%	0.12%
	Govt. of India Securities	1.18%	1.22%
	High Quality Corporate Bonds	–	–
	Investment with Insurer	98.70%	98.65%
	Others (Bank balance)	0.01%	0.01%
vii)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	Rate of increase in compensation level	7.00%	7.00%
	Expected rate of Return on Plan Assets	6.96%	6.65%
	Estimated Average Future working life	15.30	15.90
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 Nil (₹ 1,602).		
ix)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.46%	7.15%
	Increase/(decrease) in defined benefit Obligation as at the end of the period	(2,931)	(3,069)
	Discount Rate (0.50% movement)decrease	6.46%	6.15%
	Increase/(decrease) defined benefit Obligation as at the end of the period	3,176	3,329
	Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	904	1,049
	Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	(960)	(1,133)

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.

Notes to Accounts

(₹ in Lakhs)

iii. Maturity profile of the Gratuity defined benefit obligation is given below:

Year	As at 31 March 2021	As at 31 March 2020
Year 1	3,774	3,091
Year 2	9,324	9,288
Year 3	7,180	6,450
Year 4	8,270	7,031
Year 5	7,967	8,038
Next 5 years	30,750	33,363

(i) **GRATUITY (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 ₹ 61 (Previous Year ₹ 36)

ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprensive Income is ₹ 64 (Previous Year ₹ 264)

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.

	Particulars	2020-21	2019-20
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	844	515
2	Interest Cost	57	40
3	Current Service Cost	40	24
4	Past Service Cost	–	–
5	Liability Transferred In/ Acquisitions	–	–
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)	(12)	(4)
11	The Effect of Changes in Foreign Exchange Rates	–	–
12	Actuarial (gains) / losses on obligations -Due to Change in Demographic Assumptions	–	–
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	(2)	210

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
14	Actuarial (gains) / losses on obligations- Due to Experience	77	59
15	Present value of Defined Benefit Obligation as on Balance Sheet date	1,004	844
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	544	369
2	Interest Income	36	29
3	Actual contributions by Employers	300	145
4	Expected contributions by Employees	–	–
5	Assets Transferred In/ Acquisitions	–	–
6	(Assets Transferred Out / Divestment)	–	–
7	(Benefit Paid From the Fund)	(12)	(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	11	5
12	Fair value of Plan assets at the End of the Period	879	544
C	**Amount Recognised in the Balance Sheet**		
1	Present value of plan assets at the end of the period	(1,004)	(844)
2	Fair Value of plan assets at the end of the year	879	544
3	Funded status (surplus /deficit)	(125)	(300)
4	Net Asset /Liability recognised in the Balance sheet	(125)	(300)
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	(1,004)	(844)
2	Fair value of plan assets at the end of the period	879	544
3	Funded status [Surplus/(Deficit)]	(125)	(300)
4	Unrecognised Past Service Costs	–	–
5	Net asset/(Liability) recognised in Balance Sheet	(125)	(300)
E	**Expenses Recognised in the statement of Profit or loss for current Period**		
1	Current Service cost	41	25
2	Interest cost	20	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	–	–

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
7	Total expenses recognised in the statement of profit & Loss under contribution to Gratuity fund	61	36
F	**Expenses Recognised in the Other Comprehensive Income (OCI)**		
1	Acturial (Gains) / Losses in the Obligation for the period	75	269
2	Return Plan Assets, Excluding Interest Income	(11)	(5)
3	Change in asset Ceiling	–	–
4	Net (Income) / Expenses for the period Recognised in OCI	64	264
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 (%)	6.86%	6.83%
2	Expected Return on plan assets (%)	6.86%	6.83%
3	Salary Escalation (%)	10.50%	10.50%
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**		
	Projected Benefit Obligation on Current Assumptions	1,004	844
1	Delta Effect +1% Change in Rate of Discounting	(78)	(70)
2	Delta Effect -1% Change in Rate of Discounting	88	80
3	Delta Effect +1% Change in Rate of salary increase	84	76
4	Delta Effect -1% Change in Rate of salary increase	(76)	(69)
5	Delta Effect +1% Change in Rate of Employee Turnover	(16)	(15)
6	Delta Effect -1% Change in Rate of Employee Turnover	17	17
J	**Investment of Gratuity Fund is with Insurance Company**		

(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. With effect from 01.04.2021 the company has taken insurance cover for inpatient and out patient for retirees.

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	2020-21	2019-20
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	60,905	55,625
	Current Service Cost	3,185	2,909
	Interest Cost	4,050	4,278
	Benefits paid	(18)	447
	Actuarial (gains) / Losses recognised in other comprehensive income	–	–
	Changes in financial assumptions on plan liability - loss / (gain)	(1,104)	7,333
	Experience adjustments on plan liability - loss / (gain)	14,482	(9,687)
	Impact on change in demographic assumption on plan liabilities loss / (gain)	1,007	–
	Present Value of Obligation as at the end of the period	**82,507**	**60,905**
ii)	**Change in Fair Value of non-plan assets (Reimbursement rights):**		
	Fair value of non-plan assets at the beginning of the year	59,839	55,908
	Expected return on non-plan assets	4,262	4,283
	Contributions	4,280	3,836
	Benefit paid	(4,280)	(3,836)
	Actuarial gain / (loss) on non-plan Assets recognised in other comprehensive income	(371)	(352)
	Contribution to non-plan assets	8,500	–
	Fair value of non-plan assets at the end of the period	**72,230**	**59,839**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	–	–
	Current Service cost	3,185	2,909
	Interest on Defined benefit obligation	4,050	4,278
	Net Expenses Recognised in the Statement of Profit & Loss [Expenses : ₹ 389 (Nil), Provisions : ₹ 6,846 (₹ 7,187)]	**7,235**	**7,187**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on plan Obligations	14,385	(2,353)
	Actuarial (gain)/loss on non - plan Assets	371	352
	Amounts recognised in the statement of Other Comprehensive Income	**14,756**	**(2,001)**
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	82,507	60,905
	Fair Value of Plan Assets at the end of the period	–	–
	Funded Status	(82,507)	(60,905)

Notes to Accounts

(₹ in Lakhs)

	Particulars	2020-21	2019-20
	Liability recognised in Balance Sheet (as per actuarial valuation)	**82,507**	**60,905**
	Expected to be payable within next twelve months	**6,940**	**4,301**
	Expected to be payable beyond next twelve months	**75,567**	**56,604**
vi)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	Medical inflation rate	6.25%	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	1,442	1,098
	Effect on the defined benefit obligation	11,798	9,313
	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	(1,174)	(884)
	Effect on the defined benefit obligation	(9,600)	(7,423)
viii)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	7.46%	7.15%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(4,948)	(3,836)
	Discount Rate (0.50% movement)decrease	6.46%	6.15%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	5,524	4,304
	Medical Inflation Rate (0.50% movement)increase	6.75%	6.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	5,586	4,350
	Medical Inflation Rate (0.50% movement)decrease	5.75%	5.50%
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(5,039)	(4,579)

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 2021	As at 31 March 2020
Year 1	4,507	2,985
Year 2	4,818	3,149
Year 3	5,147	3,320
Year 4	5,514	3,501
Year 5	5,903	3,678
Next 5 years	34,182	20,906

Notes to Accounts

(₹ in Lakhs)

(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.

Company has determined on the basis of Actuarial Valuation carried out as on 31 March 2021, that there is no liability towards the interest shortfall on valuation date (having regard to terms of plan that there is no compulsion on part of the Trust to distribute any part of the surplus, if and by way of additional interest on PF balances).

	Particulars	2020-21	2019-20
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	3,00,068	2,66,296
	Current Service Cost	18,912	11,500
	Interest Cost	20,115	20,793
	Past Service Cost (Non vested Benefits)	–	–
	Past Service Cost (vested Benefits)	–	–
	Actuarial (gain) / Loss	9,171	1,335
	Benefits paid	(58,897)	(29,210)
	Contributions	44,981	29,354
	Present Value of Obligation as at the end of the period	**3,34,350**	**3,00,068**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	2,99,644	2,69,156
	Expected return on plan assets	20,087	21,012
	Contributions*	63,722	40,746
	Benefit paid	(58,897)	(29,210)
	Actuarial gain / (loss) on Plan Assets	16,053	(2,060)
	Fair value of plan assets at the end of the period	**3,40,609**	**2,99,644**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	–	–
	Current Service cost	18,912	11,500
	Interest Cost	20,115	20,793
	Expected return on Plan Assets	(20,087)	(21,012)
	Net Actuarial (gain) / loss recognised in the period	–	–
	Past Service Cost (Non vested Benefits)	–	–
	Past Service Cost (vested Benefits)	–	–
	Expenses Recognised in the Statement of Profit & Loss	**18,940**	**11,281**
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,34,350	3,00,068
	Fair Value of Plan Assets at the end of the period	3,40,609	2,99,644
	Effect of Balance Sheet asset limit	6,259	179
	Difference	**–**	**603**
	Unrecognised Actuarial (gains) / losses	–	–
	Liability recognised in Balance Sheet	**–**	**603**

Notes to Accounts

(₹ in Lakhs)

Particulars		2020-21	2019-20
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,34,350	3,00,068
	Plan Assets	3,40,609	2,99,644
	Effect of Balance Sheet asset limit	6,259	179
	Surplus/ (Deficit)	–	(603)
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(9,266)	(1,259)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	16,053	(2,060)
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	9,171	1,335
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	16,053	2,060
	Effect of Balance Sheet asset limit	6,279	(2,792)
	Amounts recognised in the statement of Other Comprehensive Income	(603)	603
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	53.72%/58.96%	44.68%/61.00%
	High Quality Corporate Bonds	33.93%/24.34%	36.72%/21.10%
	Mutual Funds	2.14%/1.47%	4.36%/1.50%
	Others	9.87%/11.39%	13.27%/12.00%
	Unsecured, as recoverable from Enterprise **	0.34%/3.84%	0.38%/4.30%
	Recoverable from Corporate for eliminating the net loss incurred by the trust during 2019-20	–	0.59%/0.10%
	Total	**100%/100%**	**100%/100%**
viii)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	Salary escalation rate	7.00%	7.00%
	Expected rate of Return on Plan Assets	8.27%/8.52%	8.80%/8.90%

* Note: Includes Nil (₹ 1,231) lakhs towards interest shortfall of the Provident Fund Trust.

** Note : The unsecured (principal) portion of the investment which amounts to ₹ 5,740 (₹ 5,740) 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 : (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	2020-21	2019-20
i)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Net Expenses Recognised in the Statement of Profit & Loss [2020-21 Leave Encashed : ₹ 1,437, Provisions : ₹ 4,115] [2019-20 Leave Encashed : ₹ 1,073, Provisions : ₹ 8,552]	5,552	9,625
ii)	**Amounts to be recognised in Balance Sheet :**		
	Liability recognised in Balance Sheet [As per Actuarial Valuation]	39,814	35,699
iii)	**Actuarial Assumptions :**		
	Discount Rate	6.96%	6.65%
	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	3,713	3,115
	Leave obligations expected to be settled beyond 12 months	36,101	32,584
	Total	**39,814**	**35,699**

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 ₹ 474 as on 31.03.2021. The actuarial valuation has been done using PUC method.

Notes to Accounts

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Retirement Age	58 years	58 years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	10.50%
Rate of Discounting	6.86%	6.83%
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 2021	31 March 2020
Current Liability	15	23
Non Current Liability	459	370
Total	**474**	**393**

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.

Notes to Accounts

(₹ in Lakhs)

iii) A description of the funding arrangements and funding policy.

The Gratuity plan of the company is a funded plan. 98.70% (95.65%) of the plan assets backing this plan are insurer managed assets and 1.29% (1.34%) 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.

NOTE 22
Other Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current		
Deferred revenue - customer grants	–	112
Sub total (A)	**–**	**112**
Current		
Deferred revenue - customer grants	112	363
Contract liability		
- Customer advance received	11,82,315	8,83,299
- Deferred revenue	3,522	3,615
Statutory liabilities	32,177	31,413
Others	2,172	3,788
Sub total (B)	**12,20,298**	**9,22,478**
Total (A+B)	**12,20,298**	**9,22,590**

i. Contract Liability

Revenue recognised during the period is ₹ 1,30,065 (₹ 1,65,516) that was included in the contract liability balance at the beginning of the period.

NOTE 23
Revenue from operations

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Sale of products	12,43,893		11,29,980	
Income from services	1,41,078		1,33,678	
		13,84,971		**12,63,658**
Other operating revenue				
Sale of scrap		402		548
Transport receipts		276		390
Rent receipts		675		709
Canteen receipts		887		1,233
Electricity charges collected		208		203

Notes to Accounts

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Water charges collected		50		54
Provisions withdrawn				
– Performance warranty	–		5,826	
– Onerous contracts	–		4,114	
– Doubtful debts, Liquidated Damages	7,736		4,302	
– Inventory	4,728		6,620	
– Loans & advances	138		304	
– Others *	4		102	
		12,606		**21,268**
Government grants including duty drawback		2,334		2,125
Customer grants		1,041		389
Miscellaneous		7,419		6,190
		14,10,869		**12,96,767**

* Includes Nil (₹ 33) towards recoveries out of the receivable from the employee. Refer Note 30 (18).

(i) **Disaggregation of revenue recognised against contracts with customers (2020-21)**

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Product	9,65,822	1,69,274	71,105	37,692	12,43,893
Income from Services	1,10,476	29,018	1,445	139	1,41,078
Total	**10,76,298**	**1,98,292**	**72,550**	**37,831**	**13,84,971**

Out of above Group's Export sales, ₹ 37,831 pertains to Parent company. In addition to this GE-BE Pvt Ltd has exports of ₹ 1,11,238 (value not included above).

Disaggregation of revenue recognised against contracts with customers (2019-20)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Product	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 Parent company. In addition to this GE-BE Pvt Ltd has exports of ₹ 1,05,840 (value not included above).

Notes to Accounts

(₹ in Lakhs)

(ii) **Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price.**

Particulars	2020-21		2019-20	
Revenue as per Statement of Profit and Loss				
Sale of Products	12,43,893		11,29,980	
Income from Services	1,41,078		1,33,678	
Total (a)		**13,84,971**		**12,63,658**
Add / (Less) adjustment to contract price				
Foreign exchange variation claim	(21,802)		(16,830)	
Price revision	–		–	
Discount, rebate offered	357		71	
Others	(4,528)		(10,769)	
Total adjustment (b)		**(25,973)**		**(27,528)**
Contract price (a+b)		**13,58,998**		**12,36,130**

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 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 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 consideration are received / given during the current / previous year.

(iii) An amount of ₹ 7,043 (₹ 7,725) (net) has been recognised as revenue during the year out of performance obligation satisfied in previous periods.

(iv) In a project of Parent company, one site out of ten is still to be handed over by the customer since 2015. Other 9 sites have progressed significantly; therefore, based on an opinion obtained by the management, the site, which has not been handed over till date, has been considered as a separate performance obligation, as there is uncertainty regarding its handing over in near future. This has resulted in increase in Revenue for the year by ₹ 8,786 (Nil) and increase in profit by ₹ 8,540 (Nil).

NOTE 24
Other Income

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Interest income on term deposits	6,050	7,058
Interest income from staff / IT refund / others	338	2,199
Profit on sale of property, plant & equipments	121	21
Foreign exchange differential gain	5,605	–
Rental income - Investment property	150	145
Miscellaneous (net of expenses)	232	517
	12,496	**9,940**

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 25
Changes in Inventories of Finished Goods, Work in Progress & Scrap

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Work-in-progress:				
Closing Inventory	1,38,550		1,29,731	
Opening Inventory	1,29,731		1,55,848	
		(8,819)		**26,117**
Finished goods:				
Closing Inventory	27,675		24,146	
Opening Inventory	24,146		22,626	
		(3,529)		**(1,520)**
Scrap :				
Closing Inventory	323		193	
Opening Inventory	193		306	
		(130)		**113**
		(12,478)		**24,710**
Less: Unrealised Profit on Stock		(9)		(221)
		(12,469)		**24,931**

NOTE 26
Employee Benefits Expense

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Salaries, wages and bonus / ex-gratia		1,59,172		1,65,226
Retirement benefit expenses				
Gratuity	1,871		1,432	
Contribution to provident and pension funds	11,341		12,417	
Management contribution to BEL superannuation (Pension) scheme	5,772		5,565	
Provision for BEL retired employees' contributory health scheme	6,846		7,187	
		25,830		**26,601**
Welfare expenses* [including salaries ₹ 1,114 (₹ 1,101) PF contribution ₹ 116 (₹ 100)]		10,614		15,682
		1,95,616		**2,07,509**
Less: Expenditure allocated to capital jobs		(27)		(35)
		1,95,589		**2,07,474**

Refer Note 31 for Remuneration to Key Managerial Personnel.

* Refer Note 21 (A) (iii), accordingly a provision of Nil (₹ 3,690) is made.

Notes to Accounts

(₹ in Lakhs)

NOTE 27
Finance Costs

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Interest expenses				
Interest on dues to Micro & Small Enterprises	4		5	
Interest expense on lease liability	24		28	
Other interest expenses	553		263	
		581		**296**
Other borrowing cost				
Loan processing charges		56		64
		637		**360**

NOTE 28
Depreciation and Amortisation Expense

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Depreciation / amortisation on property, plant & equipment	36,446	35,388
Depreciation on investment property	1	1
Amortisation on other intangible assets	1,997	1,613
Depreciation on right of use assets	288	184
	38,732	**37,186**

NOTE 29
Other Expenses

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Power and fuel *		3,435		3,726
Water charges		377		434
Royalty & technical assistance		17,472		526
Rent		1,609		2,288
Rates & taxes		453		868
Insurance		2,441		1,149
Auditors remuneration				
Audit fees	27		21	
Tax audit fees	7		4	

Notes to Accounts

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Other services (Certification fees)	10		6	
Reimbursement of expenses	6		10	
		50		**41**
Cost audit fee		4		4
Repairs & maintenance				
Buildings	1,983		2,187	
Plant & machinery	1,408		1,212	
Others	9,551		7,844	
		12,942		**11,243**
Bank charges		324		406
Printing and stationery		232		451
Advertisement & publicity		404		740
Travelling expenses		4,050		11,633
Hiring charges for van & taxis		1,126		1,297
Packing & forwarding		2,287		3,806
Bad debts & advances written off	1,627		23,041	
Less: Charged to provisions	(1,618)		(22,899)	
		9		**142**
Provision for obsolete / redundant materials		6,990		7,153
Provisions for doubtful debts, liquidated damages, customers' claims and disallowances		21,161		36,185
Provision for doubtful advances, claims		736		172
Provision for performance warranty (net) **		5,944		–
Provision - Onerous Contract (net)		157		–
Write off of raw materials, stores & components due to obsolescence and redundancy	1,266		229	
Less: Charged to provisions	(1,248)		(229)	
		18		**–**
Provision others ***		–		–
Provision for Intangible asset under development		7,213		–
Intangible asset Under Development charged off		75		–
Contract cost charged off		–		1,247
Capital WIP charged off		1,468		–
Corporate social responsibility		4,490		2,912

Notes to Accounts

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2021		For the Year Ended 31 March 2020	
Others				
Other Misc Direct Expenditure	11,736		10,992	
Foreign Exchange Differential Loss	–		1,827	
After Sales Service	424		297	
Telephones	900		1,053	
Expenditure on Seminars & Courses	839		867	
Other Selling Expenses	378		1,288	
Miscellaneous	3,956		4,784	
		18,233		**21,108**
		1,13,700		**1,07,531**
Less: Expenditure allocated to capital jobs		(2,075)		(3,412)
		1,11,625		**1,04,119**

* Wind Energy Generated netted off.

** Refer Note 21

*** Provision others includes Nil (₹ 936) is recoverable from employee and provision for the said recovery of Nil (₹ 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.

NOTE 30
General Notes to Accounts

1 Earnings per equity Share

	Particulars	2020-21	2019-20
a	**From continuing operations**		
	Basic earnings per share (INR)	8.62	7.49
	Diluted earnings per share (INR)	8.62	7.49
b	Amounts used as the numerators in calculating basic and diluted earnings per share	2,09,976	1,82,472
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%), 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 unrealised profit / loss. Deferred tax assets and deferred tax liability have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liability and where the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same taxation authority.

Notes to Accounts

(₹ in Lakhs)

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 consolidated 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.

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 ₹ 7,337 (₹ 124) 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 31.03.2021 is 7.00 % p.a. (7.90% p.a.)].

c. The amount utilised is repayable on demand. Utilisation as on 31.03.2021 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 8.30% p.a. (8.80% p.a.) [Axis Bank] and 7.10% p.a. (8.70% p.a.) [SBI].

Notes to Accounts

(₹ in Lakhs)

9 Contractual Commitments

	Particulars	As at 31 March 2021	As at 31 March 2020
A.	Estimated amount of contracts remaining to be executed on Capital Account and not provided as on 31 March		
	Property, Plant & Equipments	46,723	50,406
	Investment Property	–	–
	Other Intangible Assets	1,267	1,856
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 2021	As at 31 March 2020
Claims not acknowledged as debts	98,932	1,04,875
Outstanding Letters of Credit	72,543	89,273
Others	2,946	2,945
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	26,305	24,846

11 Contingent Assets:

Particulars	As at 31 March 2021	As at 31 March 2020
Nil	–	–

12 Leases

Adoption of Ind AS 116

Effective 1 April, 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the financial statements of the company.

a) As a lessor [Parent Company]

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year	322	399
Later than one year and not later than five years	230	486
Later than five years.	2,847	2,910

Notes to Accounts

(₹ in Lakhs)

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 organisations 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 recognised 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.

The future minimum lease rent payable

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than one year;	149	134
Later than one year and not later than five years;	114	193
Later than five years.	6	–

The Parent company has entered into a lease agreement with M/s Tamil Nadu Industrial Explosive Ltd., towards lease of 67.25 acres of land along with buildings constructed thereon situated at Vellore district, Tamil Nadu for the tenure of 29 years commencing from 22 May 2021. The minimum lease rent payable as per the contractual terms is ₹ 13,601. The registration charges amounting to ₹ 137 paid towards execution of lease agreement is recorded under Capital work in progress - Note 2.

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.

Notes to Accounts

(₹ in Lakhs)

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 group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the consolidated financial statements including the recoverability of carrying amount of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainities in the global economic conditions because of pandemic, the group has used its available internal and external sources of information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the consolidated financial statements may differ from the estimate as at the date of approval of the consolidated financial statements.

16 Dividend not recognised at the end of the reporting period [parent company]

The directors have recommended a final dividend of INR 1.20 (INR 1.40) [represents absolute figure] per share.

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would result in cash outflow of approximately ₹ 29,239.

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	53,51,197	18,56,535	12,28,022	8,64,754	14,01,886

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 2019-20, 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, Nil (₹ 64) has been recovered and the balance amount of ₹ 936 (₹ 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 (₹ 25) 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 date on which the code of social security, 2020 will come to effect has not been notified and the group will assess the impact of the code when it comes into effect and will record the impact in the period the code becomes effective.

21 Retention Sales [Parent Company]

The Value of Retention Sales (i.e., Goods retained with the Company at the Customers' request and at their risk) included in Gross Turnover during the year is ₹ 49,302 (₹ 1,78,315).

Out of the above, the Value of Ex-works Sales is ₹ 6,884 (₹ 29,959).

Notes to Accounts

(₹ in Lakhs)

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 22 June, 2021 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
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.

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 Vinay Kumar Katyal, Director [BG Complex]
Mr Shivakumaran K M, Director [HR]
Mrs Shikha Gupta, Director [Other Units]
Mr Dinesh Kumar Batra, Director [Finance] & CFO from 01.08.2020
Mr Rajasekhar M V, Director [R&D] from 01.09.2020
Mr Koshy Alexander, Director [Finance] & CFO upto 31.07.2020
Mr Mahesh V, Director [R&D] upto 31.08.2020
Mr S Sreenivas, Company Secretary
Mr DCN Srinivasa Rao, CEO - BELOP
Mr P Sarkar, CFO from 26.06.2020 - BELOP
Mrs Priya S Iyer, Company Secretary & CFO upto 25.06.2020 - BELOP
Mr Emmanuel de Roquefeuil, Director - BEL THALES Systems
Mr Narasimha Prasad K, CEO - BEL THALES Systems from 10.03.2021
Mr Abhishek Kumar, CFO - BEL THALES Systems
Mr Sanjog Mohapatra, Company Secretary - BEL THALES Systems
Mr Rajiv Kumar Sikka, CEO - BEL THALES Systems upto 28.02.2021

Notes to Accounts

(₹ in Lakhs)

ii. Compensation to Key Management Personnel

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Short term employee benefits	525	582
Post employment benefits	40	32
Long term employee benefits	39	63
Termination benefits	–	–
Share based payment	–	–
Total	**604**	**677**

c. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) : -

Particulars	Associates	
	GE BE Private Ltd	Defence Innovation Organisation
Sale of Goods	1,690	–
	(2,519)	–
Trade Receivables Outstanding as on 31.03.2021	540	–
	(691)	–
Investment in Equity as on 31.03.2021	260	1
	(260)	(1)
Contribution Oustanding as on 31.03.2021	–	4,000
	–	(4,000)

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 ₹ 52,331 (₹ 40,612) was paid as Dividend during the FY 2020-21.

In addition to the above, around 92% (91%) of the Company's Turnover, around 95% (97%) of Trade Receivables and around 99% (99%) of Customer's Advance is with respect to government and government related entities.

g. Defence Innovation Organisation (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 Bangalore.

Notes to Accounts

(₹ in Lakhs)

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
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.

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 2021	As at 31 March 2020
NCI percentage	**26%**	**26%**
Non - Current assets	1,859	1,859
Current assets	8,289	9,842
Total Assets	**10,148**	**11,701**
Non - Current liabilities	89	123
Current liabilities	4,293	6,128
Total liabilities	**4,382**	**6,251**
Net assets	**5,766**	**5,450**
Net assets attributable to NCI	**1,499**	**1,417**

Summarised Statement of Profit & Loss	BEL - THALES Systems Ltd.	
	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Revenue	3,872	4,430
Profit	315	334
Other comprehensive income (OCI)	–	–
Total comprehensive income	**315**	**334**
Profit allocated to NCI	**82**	**87**
OCI allocated to NCI	–	–
Total comprehensive income allocated to NCI	82	87

Notes to Accounts

(₹ in Lakhs)

Summarised Cash Flows	BEL - THALES Systems Ltd.	
	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Cash flows from Operating activities	(2,850)	4,166
Cash flows from Investing activities	279	(1,217)
Cash flows from Financing activities	(12)	(41)
Net increase / (decrease) in cash and cash equivalents	**(2,583)**	**2,908**

ii. Transactions with non-controlling interests - Nil (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 2021	As at 31 March 2020
GE BE Private Limited	India	26%	Associate	Equity Method.	18,989	16,209
Defence Innovation Organisation	India	50%	Associate	#	1	1

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 this associate 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 Bengaluru and Pune units of the Parent company.

Carrying amount of the Company's interest in GE BE Private Ltd. (Audited)

Summarised Balance Sheet	As at 31 March 2021	As at 31 March 2020
Non - Current assets	23,303	22,736
Current assets: -		
Cash and Cash equivalents	53	338
Other assets	76,552	63,655
Total Current assets	**76,605**	**63,993**
Total assets	**99,908**	**86,729**
Non - Current liabilities: -		
Financial liabilities other than trade payables	31	56
Other liabilities	688	1,010
Total Non - Current liabilities	**719**	**1,066**
Current liabilities: -		
Financial liabilities other than trade payables	713	1,176
Other liabilities	25,419	22,117
Total Current liabilities	**26,132**	**23,293**
Total liabilities	**26,851**	**24,359**
Net assets	**73,057**	**62,370**
Less: unrealised profit on stock	(6)	(7)
Company's share of Net assets	**18,989**	**16,209**

Notes to Accounts

(₹ in Lakhs)

Summarised Statement of Profit & Loss	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Revenue	1,23,839	1,21,366
Interest Income	1,403	1,546
Depreciation and amortisation	3,481	3,112
Interest expense	32	41
Income tax expense	3,890	4,011
Profit for the year	11,673	12,369
Other comprehensive income	14	(91)
Total comprehensive income	11,687	12,278
Company's share of Profit	3,035	3,216
Unrealised profit on stock	7	(7)
Net company share of profit	3,042	3,209
Company's share of OCI	4	(24)
Company's share of total comprehensive income	3,046	3,185

The Parent Company has received Dividend of ₹ 260 (Nil) from its Associate (GE BE private limited).

Reconciliation to carrying amounts

Particulars	For the Year Ended 31 March 2021	For the Year Ended 31 March 2020
Opening net assets	16,209	13,024
Profit for the year	3,042	3,209
Other comprehensive income	4	(24)
Unrealised profit on stock	(6)	–
Dividend paid	260	–
Closing net assets	**18,989**	**16,209**

Commitments and Contingent Liabilities in respect of Associates: -

Particulars	GE BE Pvt. Ltd.	
	As at 31 March 2021	As at 31 March 2020
Capital Commitments	174	268
Other Commitments	–	–
Other Contingent Liabilities	831	831

Name of the Entity	Defence Innovation Organisation	
Place of Business / Place of Incorporation		India
% of ownership interest		50%
Relationship		Associate
Carrying Amount	2020-21	1
	2019-20	1

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.	2020-21	95.59%	10,58,651	98.17%	2,06,129	99.52%	(8,709)	98.11%	1,97,420
	2019-20	95.52%	9,63,383	97.89%	1,78,628	92.97%	(3,814)	98.00%	1,74,814
Subsidiaries :									
Indian									
BEL Optronic Devices Ltd. (BELOP)	2020-21	2.17%	24,052	0.23%	490	0.53%	(46)	0.22%	444
	2019-20	2.33%	23,528	0.16%	301	6.44%	(264)	0.02%	37
BEL - THALES Systems Ltd.	2020-21	0.39%	4,266	0.11%	233	–	–	0.12%	233
	2019-20	0.40%	4,033	0.14%	247	–	–	0.14%	247
Non Controlling Interest in Subsidiary:									
Indian									
BEL - THALES Systems Ltd.	2020-21	0.14%	1,499	0.04%	82	–	–	0.04%	82
	2019-20	0.14%	1,417	0.05%	87	–	–	0.05%	87
Associates (investment as per the equity method) :									
Indian									
GE BE Pvt. Ltd.	2020-21	1.71%	18,989	1.45%	3,042	–0.05%	4	1.51%	3,046
	2019-20	1.61%	16,209	1.76%	3,209	0.59%	(24)	1.79%	3,185
Total	**2020-21**	**100%**	**11,07,457**	**100%**	**2,09,976**	**100%**	**(8,751)**	**100%**	**2,01,225**
	2019-20	**100%**	**10,08,570**	**100%**	**1,82,472**	**100%**	**(4,102)**	**100%**	**1,78,370**

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 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets measured at fair value						
I	**Investments**						
i	Equity Instruments – Mana Effluent Pvt Ltd	–	12	–	–	11	–
ii	Equity instruments - Defence Innovation Organisation	–	1	–	–	1	–
iii	Other Investments						
a.	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment & BERECHS)	1,11,592	–	–	94,811	–	–
	Sub total	**1,11,592**	**13**	**–**	**94,811**	**12**	**–**

Notes to Accounts

(₹ in Lakhs)

	Particulars	As at 31 March 2021			As at 31 March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets not measured at fair value						
II	**Trade Receivables**	–	–	6,56,199	–	–	6,72,402
III	**Loans**						
a	Security deposits	–	–	4,038	–	–	4,104
b	Loans to Employees	–	–	888	–	–	863
IV	**Cash and cash equivalents**	–	–	3,04,290	–	–	1,62,063
V	**Other Bank Balances**	–	–	2,03,086	–	–	3,987
VI	**Other Financial Assets**						
a	Advance to Employees	–	–	165	–	–	178
b	Advance to Others	–	–	5	–	–	2
c	Receivables (other than Trade Receivables)	–	–	614	–	–	1,056
d	Interest accrued on term deposits	–	–	–	–	–	4
e	Bank deposits with more than 12 months maturity	–	–	195	–	–	71
f	Interest accrued but not due on term deposits	–	–	1,300	–	–	299
g	Other financial Assets	–	–	2,620	–	–	4,490
	Other Investments						
a	Investment in Co-operative societies, Housing Societies etc.*	–	–	–	–	–	–
	Sub total	**–**	**–**	**11,73,400**	–	–	**8,49,519**
	Total	**1,11,592**	**13**	**11,73,400**	**94,811**	**12**	**8,49,519**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

	Particulars	As at 31 March 2021			As at 31 March 2020		
		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	–	–	3,29,851	–	–	2,45,033
III	**Other Financial Liabilities**						
a	Interest Accrued and due on Trade Payables	–	–	6	–	–	7
b	Current Maturities of Long Term Debt	–	–	–	–	–	833
c	Security Deposits	–	–	27,278	–	–	22,399
d	Unpaid Matured Deposits	–	–	37	–	–	37
e	Unpaid Dividend	–	–	211	–	–	148
f	Non Trade Payables Dues to MSME	–	–	208	–	–	270
g	Outstanding Expenses	–	–	46,709	–	–	49,580
h	Other Trade payables	–	–	20,948	–	–	14,060
i	Interest Accrued and due - Term loan	–	–	–	–	–	–
j	Other Lease liability	–	–	252	–	–	297
k	Other Liabilities	–	–	1,461	–	–	1,183
	Total	**–**	**–**	**4,26,961**	**–**	**–**	**3,33,847**

Notes to Accounts

(₹ in Lakhs)

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 2021			As at 31 March 2020		
			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	–	1,11,592	–	–	94,811	–
ii	Financial Investments at FVOCI - Unquoted	6	–	–	13	–	–	12
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.

3 Valuation technique used to determine Fair Value [Parent Company]:

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.

Notes to Accounts

(₹ in Lakhs)

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, prioritisation, treatment of various risks associated with different areas of finance and operations.

The parent company has a centralised 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 optimising 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, Swiss franc 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).

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 realised 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 8% (7%) 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 2021, 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 2021					As at 31 March 2020				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	615	163	22	11	117	1,609	175	14	22	136
Trade Receivable	275	23	–	–	–	267	6	–	–	–
Net Exposure	340	140	22	11	117	1,342	169	14	22	136

Notes to Accounts

(₹ in Lakhs)

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 2021	As at 31 March 2020
USD – Increase by 5%	1,264	5,122
USD – Decrease by 5%	(1,264)	(5,122)
EURO – Increase by 5%	613	718
EURO – Decrease by 5%	(613)	(718)
GBP – Increase by 5%	113	65
GBP – Decrease by 5%	(113)	(65)
CHF – Increase by 5%	44	89
CHF – Decrease by 5%	(44)	(89)
J Yen – Increase by 5%	4	5
J Yen – Decrease by 5%	(4)	(5)

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.

vi. **Variable Rate Borrowing**

The parent company has been sanctioned a Term loan of ₹ 10,000 on 31.03.2017 (Outstanding as on 31 March 2021 is Nil (₹ 833)). 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).

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 2021 is Nil (31 March 2020 is Nil)]. The outstanding balance as on 31.03.2021 with respect to non fund based limit is ₹ 2,80,322 (₹ 3,14,236). 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 8.30% p.a. (Axis Bank) and 7.10% 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 2021 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).

Notes to Accounts

(₹ in Lakhs)

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 fulfill 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 group 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 2021

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	3,13,478	13,106	3,238	29	–	–	3,29,851
Current Maturities of Long Term Debts	–	–	–	–	–	–	–
Interest accrued and due on Trade Payables	6	–	–	–	–	–	6
Other Lease Liability	36	33	66	68	38	11	252
Other Financial Liabilities	74,599	5,246	16,336	501	170	–	96,852

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	2,29,781	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

The Group does not have any outstanding derivatives as on 31 March 2021.

Notes to Accounts

(₹ in Lakhs)

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 Parent 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 31 March 2021 is Nil (₹ 833)] [Refer Note 18 & 20]. The parent Company has been sanctioned borrowing limits with banks to the tune of ₹ 4,00,000.

Gearing Ratio: -

Particular	As at 31 March 2021	As at 31 March 2020
Net Debt	–	833
Total Equity	11,05,958	10,07,153
Net Debt to Equity Ratio	–	0.001:1

Notes to Accounts

(₹ in Lakhs)

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 2021	As at 31 March 2020
(i) Inventories	4,96,798	3,95,830
(ii) Trade Receivables	6,56,199	6,72,402
(iii) Cash & Cash Equivalents	3,04,177	1,62,060
(iv) Bank Balances [Other than (iii) above]	2,01,830	3,839
(v) Loans	1,566	1,734
(vi) Other Financial Assets	4,652	3,180
(vii) Other Current Assets	6,65,291	5,95,466
Total current assets pledged as security	**23,30,513**	**18,34,511**

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 estimate and judgements [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.

Notes to Accounts

(₹ in Lakhs)

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. **Leases (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
Recent accounting pronouncements

1. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liability should be separately disclosed under the head "Financial liability" duly distinguished as current and non current.
- Additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory information' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

2. On June 18, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Companies (Indian Accounting Standards) Rules, 2015. These rules are called as the Companies (Indian Accounting Standards) Amendment Rules, 2021. This amendment has effect on various Indian Accounting Standards applicable to the group and are applicable for the accounting period beginning on or after 1 April 2021. The amendments are extensive and the group will evaluate the same to give effect to them as required by law.

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, revenue is recognised at most likely amount to be realised from customer in line with contractual terms.

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 accrual basis.

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 account 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.

Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and cumulative impairment losses, if any.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on derecognition of intangible assets, if any, are recognised in the statement of profit and loss.

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 property, plant and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment) is included in the statement of profit and loss when the property, plant and equipment 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 property, plant and equipment.

Subsequent measurement of right-of-use asset is made using Cost model.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing.

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. 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 other comprehensive income or equity is recognised in other comprehensive income or equity respectively 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.

In cases where a trend is not ascertainable, provision for warranty is made based on the best estimates of management.

20. Foreign currency transactions and translation

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 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.

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 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.

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

Bengaluru
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Form AOC-I

(₹ in Lakhs)

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	8,451	5,762
5	Reserves & surplus	15,601	4
6	Total Assets	38,022	10,148
7	Total Liabilities	13,970	4,382
8	Investments	–	–
9	Turnover	4,075	3,538
10	Profit before taxation	712	398
11	Provision for taxation	222	83
12	Profit after taxation	490	315
13	Proposed Dividend	147	–
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

Part "B": Associates and Joint Ventures

(₹ in Lakhs)

Sl. No.	Name of Associates	GE BE Private Limited	Defence Innovation Organisation
1	Latest audited Balance Sheet Date	31 March 2021	31 March 2021
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	18,995	–
6	Profit / Loss for the year		
	i. Considered in Consolidation	3,035	–
	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
22 June 2021

M V Gowtama
Chairman & Managing Director

Dinesh Kumar Batra
Director (Finance) & CFO

S Sreenivas
Company Secretary

Notes