

भारत इलेक्ट्रॉनिक्स लिमिटेड BHARAT ELECTRONICS LIMITED

(भारत सरकार का उद्यम)
(A Government of India Enterprise)

पंजीकृत व कार्पोरेट कार्यालय - आउटर रिंग रोड, नागवारा, बेंगलूरु - 560 045
Registered & Corporate Office: Outer Ring Road, Nagavara, Bengaluru - 560 045, CIN : L32309KA1954GOI000787

सूचना / NOTICE

प्रति

सभी सदस्य

एतद्वारा सूचना दी जाती है कि भारत इलेक्ट्रॉनिक्स लिमिटेड के सदस्यों की 61वीं वार्षिक सामान्य बैठक गुरुवार, दिनांक 3 सितंबर 2015 को पूर्वाह्न 10.30 बजे दि कलिंगा हॉल, होटल ललित अशोक, कुमार कृपा हाई ग्राउंड्स, बेंगलूरु - 560 001 में निम्नलिखित कारोबार संचालित करने हेतु आयोजित की जाएगी -

सामान्य कारोबार

- (क) 31 मार्च 2015 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित वित्तीय विवरणों और उसमें निदेशक मंडल और लेखा परीक्षकों के प्रतिवेदनों पर विचार करने और उसे अपनाने हेतु ।
(ख) 31 मार्च 2015 को समाप्त वित्तीय वर्ष हेतु कंपनी के लेखा परीक्षित समेकित वित्तीय विवरणों और उन पर लेखा परीक्षकों के प्रतिवेदन पर विचार करने और उसे अपनाने हेतु ।
- फरवरी, 2015 में पहले ही अदा किए गए ₹ 6 (छ रुपए मात्र) प्रति ईक्विटी शेयर का अंतरिम लाभांश संपुष्ट करने तथा ईक्विटी शेयरों पर अंतिम लाभांश घोषित करने हेतु ।
- श्री पी. आर. आचार्या, जो चक्रानुक्रम से निवृत्त हो रहे हैं और पात्र होने के कारण स्वयं को पुनः नियुक्ति के लिए प्रस्तुत करते हैं, के स्थान पर एक निदेशक नियुक्त करने हेतु ।
- ले. जन. सी. ए. कृष्णन, जो चक्रानुक्रम से निवृत्त हो रहे हैं और पात्र होने के कारण स्वयं को पुनः नियुक्ति के लिए प्रस्तुत करते हैं, के स्थान पर एक निदेशक नियुक्त करने हेतु ।

विशेष कारोबार

5. श्री जे राम कृष्ण राव की निदेशक के रूप में नियुक्ति

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

"संकल्प किया गया कि श्री जे राम कृष्ण राव, जिन्हें कंपनी अधिनियम, 2013 की धारा 161 के प्रावधानों के तारतम्य में 7 नवंबर 2014 को आयोजित बैठक में कंपनी के निदेशक मंडल द्वारा कंपनी की इस वार्षिक सामान्य बैठक की तारीख तक पद धारित करने के लिए अतिरिक्त निदेशक के रूप में नियुक्त किया गया था और जिनकी नियुक्ति के लिए कंपनी ने एक सदस्य से कंपनी के निदेशक के पद हेतु उनकी उम्मीदवारी का प्रस्ताव रखते हुए कंपनी अधिनियम, 2013 की धारा 160 के तहत अपेक्षित जमा राशि के साथ-साथ, लिखित में सूचना प्राप्त की

TO

ALL MEMBERS

NOTICE IS HEREBY GIVEN THAT the 61st Annual General Meeting of the Members of Bharat Electronics Limited will be held on Thursday, 3 September 2015, at 10.30 a.m. at The Kalinga Hall, Hotel Lalit Ashok, Kumara Krupa High Grounds, Bengaluru - 560001 to transact the following business:-

ORDINARY BUSINESS

- (a) To consider and adopt the audited financial statement of the Company for the financial year ended 31 March 2015 and the Reports of the Board of Directors and Auditors thereon.
(b) To consider and adopt the audited consolidated financial statement of the Company for the financial year ended 31 March 2015 and Reports of Auditors thereon.
- To confirm the Interim Dividend of ₹ 6 (Rupees six only) per equity share already paid in February, 2015 and to declare Final Dividend on Equity Shares.
- To appoint a Director in place of Mr P R Acharya, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Lt. Gen. C A Krishnan, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. Appointment of Mr J Rama Krishna Rao as Director.

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

"RESOLVED THAT Mr J Rama Krishna Rao, who was appointed by Board of Directors of the Company in its meeting held on 07 November 2014 as Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting of the Company and for the appointment of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office

है, को कंपनी का निदेशक नियुक्त किया जाए जो चक्रानुक्रम द्वारा सेवानिवृत्ति होंगे।”

6. 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 अधिनियम के अन्य लागू प्रावधान, यदि कोई हों, जिन्हें उसके तहत बनाए गए नियमों के साथ पढ़ा जाना है (वर्तमान में उसमें किए गए किसी संशोधन (संशोधनों) या पुनःप्रवर्तन सहित), के तारतम्य में, 31 मार्च 2016 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. पीएसवी एंड एसोसिएट्स, लागत लेखाकार (फर्म पंजीकरण सं. 000304) को ₹ 400,000 (रुपए चार लाख मात्र) के पारिश्रमिक तथा लाग सेवा कर का भुगतान एवं फुटकर व्ययों की प्रतिपूर्ति हेतु कंपनी की सहमति प्रदान की जाए और एतद्वारा प्रदान की जाती है।”

7. कंपनी की प्राधिकृत शेयर पूंजी में बढ़ोतरी-

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 61 के प्रावधान तथा अन्य लागू प्रावधान, यदि कोई हों, जिन्हें उनके तहत बनाए गए कंपनी (शेयर पूंजी तथा ऋणपत्र) नियम, 2014 के साथ पढ़ा जाना है (सांविधिक संशोधन (संशोधनों) या उनके पुनःप्रवर्तन, जो वर्तमान में लागू हैं, सहित) के तारतम्य में, कंपनी की प्राधिकृत शेयर पूंजी को विद्यमान ₹ 1,000,000,000 (रुपए एक सौ करोड़ मात्र) जो ₹ 10 (रुपए दस मात्र) प्रत्येक के 100,000,000 (दस करोड़ मात्र) ईक्विटी शेयरों में विभाजित है, ₹ 10 (रुपए दस मात्र) प्रत्येक के अतिरिक्त 150,000,000 (पंद्रह करोड़ मात्र) ईक्विटी शेयर सृजित करते हुए, से बढ़ाकर ₹ 250,000,000 (रुपए दो सौ पचास करोड़ मात्र) जो ₹ 10 (रुपए दस मात्र) प्रत्येक के 250,000,000 (पच्चीस करोड़ मात्र) ईक्विटी शेयरों में विभाजित है, किया जाए और एतद्वारा किया जाता है जो कंपनी के विद्यमान शेयरों के साथ-साथ श्रेणीकृत होंगे।”

8. संस्था के बहिर्नियम में पूंजी खंड में परिवर्तन

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

“संकल्प किया गया कि, कंपनी अधिनियम, 2013 की धारा 13 और 61 के प्रावधानों तथा अन्य लागू प्रावधान तथा उनके तहत बनाए गए नियमों (सांविधिक संशोधन (संशोधनों) या उनके पुनःप्रवर्तन, जो वर्तमान में लागू हैं, सहित) के तारतम्य में, कंपनी के संस्था के बहिर्नियम के खंड V में परिवर्तन किया जाए और एतद्वारा परिवर्तन किया जाता है और उसे निम्नलिखित से स्थानापित किया जाए -

of Director of the Company, be appointed as a Director of the Company, liable to retire by rotation.”

6. Ratification of remuneration of the Cost Auditor

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 400,000 (Rupees four lakhs only) plus applicable service tax and reimbursement of out of pocket expenses to M/s PSV & Associates, Cost Accountants, (Firm Registration No. 000304) 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 2016.”

7. Increase in Authorised Share Capital of the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from the existing ₹ 1,000,000,000 (Rupees one hundred crores only) divided into 100,000,000 (Ten crores only) Equity Shares of ₹ 10 (Rupees ten only) each to ₹ 2,500,000,000 (Rupees two hundred and fifty crores only) divided into 250,000,000 (Twenty five crores only) Equity Shares of ₹ 10 (Rupees ten only) each by creation of additional 150,000,000 (Fifteen crores only) Equity Shares of ₹ 10 (Rupees ten only) each which shall rank pari passu with the existing shares of the Company.”

8. Alteration of the Capital Clause in the Memorandum of Association

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

“RESOLVED THAT, pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following :

V. कंपनी की प्राधिकृत शेयर पूँजी ₹ 2,500,000,000 (रुपए दो सौ पचास करोड़ मात्र) है जो कंपनी के अंतर्नियमों में दिए गए अनुसार उसके साथ संलग्न अधिकार, विशेषाधिकार तथा शर्तों जिन्हें कंपनी की पूँजी को बढ़ाने या घटाने तथा जिन्हें वर्तमान में पूँजी के शेयरों को अनेक खंडों में विभाजित करने और उनमें क्रमशः ऐसे अधिमान, आस्थगित, गारंटीकृत, अर्ह या विशेष अधिकार, विशेषाधिकार एवं शर्तें संलग्न करने जो कंपनी के अंतर्नियमों द्वारा या उनके अनुसार निर्धारित होंगे तथा ऐसे अधिकार, विशेषाधिकार या शर्त को कंपनी के अंतर्नियमों द्वारा वर्तमान में जिस प्रकार प्रदान किया गया है, उस प्रकार बदलने, संशोधित करने, समामेलित करने या निराकरण करने के लिए, के साथ ₹ 10 (रुपए दस मात्र) प्रत्येक के 250,000,000 (पच्चीस करोड़ मात्र) शेयरों में विभाजित है।

आगे संकल्प किया गया कि उपर्युक्त संकल्प को प्रभावी करने के उद्देश्य से, कंपनी के निदेशक मंडल को ऐसे सभी कार्य, विलेख, मामले तथा बातें जिसमें यथोचित प्राधिकारियों के साथ आवश्यक फार्म / दस्तावेज भरना शामिल है, करने के लिए तथा ऐसे सभी विलेख, दस्तावेज, प्रपत्र तथा लिखित सामग्री जिन्हें जिसके एकमात्र तथा अन्य विवेक से आवश्यक या अत्यावश्यक समझा जाए, निष्पादित करने के लिए तथा इस संबंध में उत्पन्न होने वाले किसी प्रश्न, कठिनाई या संदेह का निराकरण करने के लिए तथा यहाँ प्रदत्त अपनी सभी या किसी एक शक्ति को अपने निदेशकों, कंपनी के कंपनी सचिव या किसी अन्य अधिकारी (अधिकारियों) को प्रत्यायोजित करने के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है।"

9. संस्था के अंतर्नियम में पूँजी खंड में परिवर्तन

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

"संकल्प किया गया कि, कंपनी अधिनियम, 2013 की धारा 14 के प्रावधानों तथा अन्य लागू प्रावधान तथा उनके तहत बनाए गए नियमों (सार्वधिक संशोधन (संशोधनों) या उनके पुनःप्रवर्तन, जो वर्तमान में लागू हैं, सहित) के तारतम्य में, कंपनी के संस्था के अंतर्नियम के अनुच्छेद 5 जो प्राधिकृत शेयर पूँजी से संबंधित है, में परिवर्तन किया जाए और एतद्वारा परिवर्तन किया जाता है और उसे निम्नलिखित से स्थानापित किया जाए -

कंपनी की प्राधिकृत शेयर पूँजी कंपनी के बहिर्नियम के खंड V में बताए गए अनुसार होगी।

आगे संकल्प किया गया कि उपर्युक्त संकल्प को प्रभावी करने के उद्देश्य से, कंपनी के निदेशक मंडल को ऐसे सभी कार्य, विलेख, मामले तथा बातें जिसमें यथोचित प्राधिकारियों के साथ आवश्यक फार्म / दस्तावेज भरना शामिल है, करने के लिए तथा ऐसे सभी विलेख, दस्तावेज, प्रपत्र तथा लिखित सामग्री जिन्हें जिसके एकमात्र तथा अन्य विवेक से आवश्यक या अत्यावश्यक समझा जाए, निष्पादित करने के लिए तथा इस संबंध में उत्पन्न होने वाले किसी प्रश्न, कठिनाई या संदेह का निराकरण करने के लिए तथा यहाँ प्रदत्त अपनी सभी या किसी एक

V. The authorised Share Capital of the Company is ₹ 2,500,000,000 (Rupees two hundred and fifty crores only) divided into 250,000,000 (Twenty five crores only) shares of ₹ 10 (Rupees ten only) each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several clauses and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things including filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto and to delegate all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s) of the Company."

9. Alteration of the Capital Clause of the Articles of Association

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

"RESOLVED THAT, pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 and the rules issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Article 5 of the Articles of Association of the Company relating to authorised Share Capital be and is hereby altered and substituted by the following:

The authorised share capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things including filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in

शक्ति को अपने निदेशकों, कंपनी के कंपनी सचिव या किसी अन्य अधिकारी (अधिकारियों) को प्रत्यायोजित करने के लिए प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है।”

10. बोनस शेयरों को जारी करने के लिए अनुमोदन

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 63 के प्रावधानों तथा अन्य लागू प्रावधान, जिन्हें कंपनी (शेयर पूंजी और ऋणपत्र) नियम, 2014 (सांविधिक संशोधन (संशोधनों) या उनके पुनःप्रवर्तन, जो वर्तमान में लागू हैं, सहित) के नियम 14 के साथ पढ़ा जाना है, के अनुसार, और भारतीय प्रतिभूति एवं विनियम बोर्ड (सेबी) के विनियमों तथा दिशा-निर्देशों की शर्त पर तथा यथा आवश्यक लागू विनियामक प्राधिकारियों की सहमति शामिल हैं, तथा कंपनी के संस्था के अंतर्नियम के तत्संबंधी प्रावधानों तथा कंपनी के निदेशक मंडल (जिसे यहाँ इसके बाद ‘मंडल’ कहा गया है, जिस अभिव्यक्ति में मंडल द्वारा उसकी ओर से विधिवत् गठित या प्राधिकृत निदेशकों की समिति को शामिल माना जाएगा) की सिफारिशों के तारतम्य में, तथा इस संबंध में यथा आवश्यक अनुमति, मंजूरी और अनुमोदनों की शर्त पर, कंपनी के विद्यमान ईक्विटी शेयरों को धारित करने वाले सदस्य जिनके नाम मंडल द्वारा इस संबंध में तय की गई रिकार्ड तारीख को नेशनल सेक्योरिटीज डिपॉजिटरी लिमिटेड (एनएसडीएल) तथा सेंट्रल डिपॉजिटरी सर्विसेस (इंडिया) लिमिटेड (सीडीएसएल) से यथा प्राप्त, सदस्यों द्वारा धारित ₹ 10 (रुपए दस मात्र) प्रत्येक के प्रत्येक 1 (एक) विद्यमान ईक्विटी शेयर के लिए ₹ 10 (रुपए दस मात्र) प्रत्येक के 2 (दो) ईक्विटी शेयर के अनुपात में यानी 2:1 के अनुपात में (प्रत्येक धारित शेयर के लिए दो बोनस शेयर), कंपनी द्वारा रखे गए रजिस्टर / हिताधिकारियों की सूची में दर्शित होते हैं, को पूर्ण चुकता ईक्विटी शेयर के रूप में जारी किए जाने वाले / क्रेडिट किए जाने वाले ₹ 10 (रुपए दस मात्र) प्रत्येक के बोनस ईक्विटी शेयरों को जारी करने के प्रयोजनार्थ, कंपनी के मुक्त प्रारक्षण तथा अधिशेष में जमा ₹ 1,600,000,000 (रुपए एक सौ साठ करोड़ मात्र) के पूंजीकरण हेतु मंडल को कंपनी के सदस्यों की सहमति प्रदान की जाए और एतद्वारा प्रदान की जाती है।

आगे संकल्प किया गया कि बोनस शेयरों के रूप में इस प्रकार आबंटित ईक्विटी शेयर कंपनी के विद्यमान पूर्ण चुकता ईक्विटी शेयरों के साथ हर प्रकार से साथ-साथ श्रेणीकृत होंगे और कंपनी के संस्था के बहिर्नियमों और अंतर्नियमों के प्रावधानों पर निर्भर करेंगे।

आगे संकल्प किया गया कि आबंटिती जो अपने विद्यमान ईक्विटी शेयरों को इलेक्ट्रॉनिक रूप में रखे हैं, को बोनस शेयरों के लिए कोई आबंटन पत्र जारी नहीं किए जाएंगे क्योंकि बोनस शेयर निर्धारित समय अवधि के भीतर या इस संबंध में समय-समय पर निर्धारित अवधि में उनके संबंधित डीमैट खातों में जमा किए जाएंगे।

regard thereto and to delegate all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s) of the Company.”

10. Approval for the issue of Bonus Shares

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

“RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), and consent of applicable regulatory authorities as may be required and pursuant to the relevant provisions of Articles of Association of the Company and the recommendation of the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall be deemed to include a Committee of Directors duly constituted or authorised by the Board in this behalf), and subject to such permissions, sanctions and approvals as may be necessary in this regard, consent of the Members of the Company be and is hereby accorded to the Board for capitalisation of ₹ 1,600,000,000 (Rupees one hundred sixty crores only) standing to the credit of the free reserves and surplus of the Company, as may be considered necessary by the Board, for the purpose of issuance of Bonus Equity Shares of ₹ 10 (Rupee Ten only) each to be issued/credited as fully paid-up Equity Shares to the holders of the existing Equity Shares of the Company, whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such record date as may be fixed in this regard by the Board, in the proportion of 2 (two) Equity Shares of ₹ 10 (Rupees ten only) each fully paid-up for every 1 (one) existing Equity Share of ₹ 10 (Rupees ten only) each held by the Members, i.e. in the ratio of 2:1 (two bonus shares for every share held).

RESOLVED FURTHER THAT the Equity Shares so allotted as bonus shares shall rank pari passu in all respects with the existing fully paid up Equity Shares of the Company and shall be subject to the provisions of Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees for Bonus Shares who hold their existing Equity Shares in electronic form, as Bonus Shares shall be credited to their respective demat accounts within the period prescribed or that may be prescribed on this behalf, from time to time.

आगे संकल्प किया गया कि ऐसे शेयरधारक जो अपने विद्यमान ईक्विटी शेयर को भौतिक रूप में धारित करते हैं, के लिए बोनस शेयरों के संबंध में शेयर प्रमाण-पत्र तैयार कर निर्धारित अवधि के भीतर या इस संबंध में समय-समय पर निर्धारित अवधि में भेजे जाएंगे।

आगे संकल्प किया गया कि उक्त बोनस शेयर जहाँ तक अप्रवासी भारतीय (एनआरआई), भारतीय मूल के व्यक्तियों (पीआईओ)/समुद्रपार कार्पोरेट निकाय (ओसीबी) तथा कंपनी के अन्य विदेशी निवेशकों से संबंधित है, उनका जारी किया जाना और आबंटन किया जाना विदेशी मुद्रा विनियम प्रबंध अधिनियम, 1999 तथा उसके तहत बनाए गए विनियमों के तहत भारतीय रिजर्व बैंक (आरबीआई) तथा यथा अपेक्षित एवं आवश्यक किसी अन्य विनियामक प्राधिकरण के अनुमोदन पर निर्भर करेगा।

आगे संकल्प किया गया कि स्टॉक एक्सचेंज जहाँ कंपनी के शेयर सूचीबद्ध हैं, को बोनस शेयरों का सूचीकरण का आवेदन करने के लिए तथा आबंटितियों के अपने डिपोजिटरी खातों में बोनस शेयरों को जमा करने के लिए नेशनल सेक्योरिटीज़ डिपोजिटरी लिमिटेड (एनएसडीएल) तथा सेंट्रल डिपोजिटरी सर्विसेस (इंडिया) लिमिटेड (सीडीएसएल) को आवश्यक आवेदन करने के लिए, तथा यहाँ प्रदत्त सभी शक्तियों या किसी एक शक्ति को उसके निदेशकों, कंपनी के कंपनी सचिव या किसी अन्य अधिकारी (अधिकारियों) को प्रत्यायोजित करने के लिए मंडल को प्राधिकृत किया जाए तथा एतद्वारा प्राधिकृत किया जाता है।

आगे संकल्प किया गया कि उक्त संकल्प को लागू करने के लिए आवश्यक अन्य सभी उपाय करने के लिए तथा मंडल द्वारा अपने विवेक द्वारा जैसा उपयुक्त माना जाए बोनस शेयरों को जारी करने के अन्य सभी निबंधन व शर्तों को तय करने के लिए मंडल को प्राधिकृत किया जाए और एतद्वारा प्राधिकृत किया जाता है।

मंडल के आदेशानुसार,
कृते **भारत इलेक्ट्रॉनिक्स लिमिटेड**

बेंगलूरु
24 जुलाई 2015

एस श्रीनिवास
कंपनी सचिव

नोट

- यथा उपरोक्त विशिष्ट कारोबार के संबंध में कंपनी अधिनियम, 2013 (अधिनियम) की धारा 102 के तारतम्य में संबंधित व्याख्यात्मक विवरण यहाँ संलग्न है और इस सूचना का भाग है।
- वार्षिक सामान्य बैठक ("बैठक") में सम्मिलित होने और मतदान करने के हकदार सदस्य उनकी ओर से सम्मिलित होने और मतदान करने के लिए परोक्षी नियुक्त करने के हकदार हैं और परोक्षी को कंपनी का सदस्य होना आवश्यक नहीं है। बहरहाल, परोक्षी को नियुक्त करने के विलेख को बैठक के प्रारंभ होने से पहले, किंतु 48 घंटों से पहले नहीं, विधिवत् पूर्ण रूप से कंपनी के पंजीकृत कार्यालय में प्रस्तुत किया जाना चाहिए।
- बैठक में सम्मिलित होने वाले प्राधिकृत प्रतिनिधि को भेजने का आशय रखने वाले कार्पोरेट सदस्यों से अनुरोध है कि वे बैठक में उनकी ओर से भाग लेने और मतदान करने हेतु अपने प्रतिनिधि को प्राधिकृत करते हुए मंडल के संकल्प की प्रमाणित प्रति कंपनी को भेजें।

RESOLVED FURTHER THAT for the shareholders who hold their existing Equity Shares in physical form, the share certificate(s) in respect of the Bonus Shares shall be completed and thereafter be dispatched within the period prescribed or that may be prescribed on this behalf, from time to time.

RESOLVED FURTHER THAT the issue and allotment of the said Bonus Shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin (PIO) / Overseas Corporate Bodies (OCBs) and other foreign investors of the Company, will be subject to the approval of the Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 and Regulations thereunder, as amended from time to time, and any other regulatory authority, as may be required & necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorised to apply for Listing of Bonus Shares to the Stock Exchanges where the shares of the Company are listed and to make necessary application with the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for crediting the Bonus Shares to the individual Depository accounts of the allottees and to delegate all or any of its powers herein conferred to its Directors, Company Secretary or any other officer(s) of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit."

By order of the Board,
For **Bharat Electronics Limited**

Bengaluru
24 July 2015

S Sreenivas
Company Secretary

NOTE

- Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of Special Business as set out above is annexed hereto and forms part of the Notice.
- A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company duly completed, not less than 48 hours before the commencement of the Meeting.
- Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

4. अधिनियम की धारा 101 तथा कंपनी (प्रबंधन एवं प्रशासन) नियम, 2014 के नियम 18 के परिप्रेक्ष्य में, वार्षिक सामान्य बैठक की यह सूचना तथा वार्षिक प्रतिवेदन सहित अन्य दस्तावेज ईमेल द्वारा इलेक्ट्रॉनिक माध्यम से ऐसे शेयरधारकों को भेजे जा रहे हैं, जिन्होंने अपने डीमैट खातों में ईमेल का पता दिया है।

बहरहाल, सदस्य कृपया नोट करें कि वे आवश्यकता प्राप्त करने पर, लाभ व हानि के विवरण और लेखा परीक्षकों के प्रतिवेदन सहित कंपनी के तुलन-पत्र और उसके साथ संलग्न किए जाने वाले सभी दस्तावेजों की हार्ड प्रति निःशुल्क प्राप्त करने के लिए हकदार होंगे।

दस्तावेज भौतिक रूप में प्राप्त करने के इच्छुक सदस्य कंपनी के पंजीयक, मे. इंटीग्रेटेड इंटरप्राइजेस (इंडिया) लि. को डीमैट खाते के ब्योरे विधिवत् देते हुए यथाशीघ्र सूचित करें। वैकल्पिक रूप से, अपने डीमैट खाते के ब्योरे को विधिवत् उद्धृत करते हुए अनुरोध को ईमेल आईडी irg@integratedindia.in पर ईमेल द्वारा भेजा जा सकता है।

कंपनी इन दस्तावेजों को शेयरधारकों के अवलोकनार्थ एवं उनके द्वारा डाउनलोड करने के लिए कंपनी की वेबसाइट यानी www.bel-india.com पर भी उपलब्ध कराएगी। साथ ही, वार्षिक प्रतिवेदन की भौतिक प्रतियाँ कंपनी के पंजीकृत कार्यालय में कार्य घण्टों के दौरान निरीक्षण के लिए उपलब्ध होंगी।

5. अधिनियम की धारा 170 के तहत रखी गई, निदेशकों तथा मुख्य प्रबंधकीय कार्मिकों तथा उनकी शेयरधारिता की पंजी वार्षिक सामान्य बैठक में सदस्यों के निरीक्षणार्थ उपलब्ध होगी।
6. इस सूचना में संदर्भित सभी दस्तावेज तथा व्याख्यात्मक विवरणी इस सूचना की तारीख से वार्षिक सामान्य बैठक की तारीख तक, कंपनी के पंजीकृत कार्यालय में प्रातः 10 बजे से लेकर अपराह्न 4 बजे तक सदस्यों के निरीक्षणार्थ उपलब्ध होगी।
7. ईक्विटी शेयरों पर लाभांश, यदि बैठक में घोषित किया जाए, के लिए पात्र सदस्यों के नामों को निर्धारित करने के लिए कंपनी के सदस्यों की पंजी और शेयर अंतरण बही को दिनांक 12 अगस्त 2015 से 14 अगस्त 2015 तक (दोनों दिनों सहित) बंद रखा जाएगा।
8. वर्ष 2014-15 हेतु अंतिम लाभांश, यदि बैठक में घोषित हो, घोषणा की तिथि से 30 दिनों के भीतर उन सदस्यों को प्रदेय होगा जिनके नाम यथा 11 अगस्त, 2015 को कंपनी के सदस्यों की पंजी में प्रकट होते हैं।

कंपनी जहाँ कहीं संभव हो, लाभांश भुगतान ईसीएस (इलेक्ट्रॉनिक क्लियरिंग सर्विस) द्वारा तथा अन्य मामलों में लाभांश वारंट / बैंक मांग पत्र द्वारा करेगी। इलेक्ट्रॉनिक रूप में धारित शेयरों के मामले में, लाभांश का भुगतान यथा 11 अगस्त 2015 को कारोबारी घण्टों की समाप्ति पर इस प्रयोजन हेतु निक्षेपकर्ताओं (एन एस डी एल तथा सी डी एस एल) द्वारा दिए गए हिताधिकारी स्वामित्व ब्योरो के आधार पर किया जाएगा। इलेक्ट्रॉनिक रूप में शेयर धारित करने वाले सदस्य नोट करें कि उनके संबंधित निक्षेपागार खातों के समक्ष दर्ज बैंक विवरणों का प्रयोग कंपनी द्वारा लाभांश के भुगतान हेतु किया जाएगा। कंपनी या इसके पंजीयक बैंक संबंधी विवरणों या बैंक आज्ञा में किसी परिवर्तन के लिए इलेक्ट्रॉनिक रूप में शेयर धारित करने वाले सदस्यों से सीधे प्राप्त किसी

4. In terms of Section 101 of the Act and Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice of AGM and other documents including the Annual Report are being sent in electronic mode by e-mail to those shareholders who have furnished their e-mail address in their demat accounts.

However, Members may please note that they will be entitled to a hard copy of Balance Sheet of the Company and all attachments thereto, including the Statement of Profit and Loss and Auditors' Report, upon receipt of a requisition, free of cost.

Members interested to receive the documents in physical form may please give the intimation to the Company's Registrars, M/s. Integrated Enterprises (India) Ltd. at the earliest, duly quoting the Demat A/c details. Alternatively, the request, duly quoting the Demat A/c details, may be sent by email at e-mail ID: irg@integratedindia.in

The Company would also make available these documents on the Company's website viz. www.bel-india.com for perusal and download by the shareholders. Also, the physical copies of Annual Report would be available at the Registered Office of the Company for inspection during office hours.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the Members at the AGM.
6. All the documents referred to in this Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10.00 am and 4.00 pm on all working days from the date of this Notice upto the date of the AGM.
7. The Company's Register of Members and Share Transfer Books will be closed from 12 August 2015 to 14 August 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the Meeting.
8. The Final Dividend for the year 2014-15, if declared at the Meeting, will be payable within 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members as on 11 August 2015.

Company will be making the dividend payment by ECS (Electronic Clearing Services), wherever possible and by dividend warrant / Bank demand drafts in other cases. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership details furnished by the Depositories (NSDL & CDSL), as at the close of business hours on 11 August 2015, for this purpose. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or

अनुरोध पर कार्रवाई नहीं कर सकते हैं। ऐसे परिवर्तनों को सदस्यों के निक्षेपागार सहभागी को ही सूचित किया जाना है। जिन सदस्यों ने निक्षेपागार खाता खोलने के बाद अपना बैंक खाता परिवर्तित किया है और निक्षेपागार खाता खोलते समय विनिर्दिष्ट खाते के अलावा खाते में लाभांश प्राप्त करना चाहते हैं, ऐसे सदस्यों से अनुरोध है कि वे 7 अगस्त, 2015 से पहले अपने निक्षेपागार सहभागी से अपना बैंक खाते के ब्यौरे (नौ अंकों के बैंक कूट सहित) में परिवर्तन / सुधार कर लें।

9. वर्ष 2014-15 के दौरान, कंपनी ने अदत्त लाभांश खाते से ₹ 117,448 की राशि को कोष में अंतरित किया है (2006-07 के अंतिम लाभांश का ₹ 76,888 और वर्ष 2007-08 के अंतरिम लाभांश का ₹ 40,560)। वर्ष 2007-2008 के लिए दावा न किए गए / अदत्त लाभांश और वर्ष 2008-09 के लिए अंतरिम लाभांश वर्ष 2015-16 में निधि में अंतरित करने हेतु नियत है। इसे कार्यावित करने और राशि प्राप्त करने के लिए संबंधित शेयरधारकों को सूचनाएँ भेज दी गई हैं। कंपनी ने अपनी वेबसाइट www.bel-india.com में "निवेशकों के लिए सूचना" नामक एक पृथक पृष्ठ में 2007-08 से लेकर अब तक के लाभांश भुगतान के ब्यौरे तथा अदत्त लाभांश का दावा करने की मार्गदर्शी सूचना लगाई है। शेयरधारकों से निवेदन है कि वे अदत्त / दावा न किए गए लाभांश का दावा करने के लिए इसमें दिए गए फार्म का प्रयोग करें।
10. कंपनी के लेखों के संबंध में कोई भी सूचना प्राप्त करने के इच्छुक सदस्यों से अनुरोध है कि वे अपने प्रश्न, लिखित में, कंपनी के पंजीकृत कार्यालय में ऐसे भेजें कि वे बैठक से कम से कम 7 दिनों पहले पहुँच जाएँ ताकि अपेक्षित सूचना बैठक में उपलब्ध हो सके।
11. सदस्यों से अनुरोध है कि वे वार्षिक प्रतिवेदन और सूचना की अपनी प्रतियाँ बैठक में साथ लेकर लाएँ।
12. बैठक में सम्मिलित हो रहे सदस्यों / परोक्षियों से अनुरोध है कि वे संलग्न उपस्थिति पर्ची भरकर उसे बैठक के प्रवेश स्थल पर सुपुर्द करें।
13. बैठक में भाग लेने वाले संयुक्त धारकों के मामले में, केवल ऐसे संयुक्त धारक जो नामों के क्रम में ऊपर होंगे, मतदान करने के हकदार होंगे।
14. शेयरों को भौतिक रूप में धारित करने वाले सदस्यों से अनुरोध है कि वे अपने पते में हुए किसी भी परिवर्तन के बारे में कंपनी के पंजीयक व अंतरण एजेंट मेसर्स इंटीग्रेटेड इंटरप्राइजेस (इंडिया) लि., 30, रमणा रेसिडेंसी, भूतल, 4था क्रॉस, संपिगे रोड, मल्लेश्वरम, बेंगलूर-560003, दूरभाष 080-23460815-18, फ़ैक्स 080-23460819 को लिखित सूचना भेजते हुए तुरंत सूचित करें। शेयरों को डीमैट रूप में धारित करने वाले सदस्यों से अनुरोध है कि वे संबंधित निक्षेपागार सहभागियों से संपर्क करें जिनके साथ उन्होंने डीमैट खाता खोला है और पते में हुए परिवर्तन को दर्ज करा लें।
15. जो शेयरधारक अब तक शेयरों को भौतिक रूप में धारित करते हैं उन्हें यह परामर्श दिया जाता है कि वे शेयर प्रमाण-पत्रों के खो जाने / गलत स्थान पर रखे जाने / चोरी / जालसाजी से पैदा होने वाली परेशानियों से बचने के लिए अपने हित में शेयरों को डीमैट करा लें। कंपनी ने शेयरधारकों को बी ई एल के शेयरों को

bank mandate. Such changes are to be advised only to the Depository Participant of the Members. Members who have changed their bank account after opening the Depository Account and want to receive dividend in an account other than the one specified while opening the Depository Account, are requested to change/correct their bank account details (including the nine digit Bank code) with their Depository Participant, before 7 August 2015.

9. During the year 2014-15, the Company transferred to the Fund an amount of ₹ 117,448 from the Unpaid Dividend Account (₹ 76,888, of final dividend 2006-07 and ₹ 40,560 of interim dividend 2007-08). The unclaimed/ unpaid final dividend for the year 2007-08 and interim dividend for the year 2008-09 are due for transfer to the Fund in 2015-16. Notices to this effect have been sent to the respective shareholders to enable them to claim and receive the amount. The Company has posted on its website www.bel-india.com in a separate page titled "Information for Investors" the details of dividend payment since 2007-08 onwards and guidance information for claiming unpaid dividend. Shareholders are requested to make use of the claim form provided there to claim unpaid/ unclaimed dividend.
10. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries, in writing, to the Company at the Registered Office so as to reach at least 7 days before the Meeting so that the required information can be made available at the Meeting.
11. Members are requested to bring their copies of the Annual Report and the Notice to the Meeting.
12. Members/Proxies attending the Meeting are requested to complete the enclosed Attendance Slip and deliver the same at the entrance of the meeting venue.
13. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members holding shares in physical form are requested to notify to the Company's Registrars and Transfer Agent, M/s Integrated Enterprises (India) Ltd., 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560003, Tel. 080-23460815-18, Fax. 080-23460819 immediately any change in their address, by sending a written communication. Members who are holding shares in demat form are requested to contact the respective Depository Participants with whom they have opened the Demat Account and get the change of address recorded.
15. Members still holding shares in physical form are advised to dematerialise the shares in their own interest to avoid difficulties arising from loss/misplacement/theft/forgery of share certificates. Company has entered into agreements with both the depositories, viz. NSDL and CDSL to enable the

डीमैट कराने हेतु दोनों निक्षेपागारों अर्थात् एन एस डी एल और सी डी एस एल के साथ करार किए हैं। सदस्य इस संबंध में कृपया पंजीयक व अंतरण एजेंट, मेसर्स इंटीग्रेटेड इंटरप्राइजेस (इंडिया) लि. से संपर्क करें।

16. कंपनी ने अपने सदस्यों को राष्ट्रीय प्रतिभूति डिपोजिटरी लिमिटेड द्वारा प्रदान की गई इलेक्ट्रॉनिक मतदान सेवा सुविधा के माध्यम से इलेक्ट्रॉनिक रूप से मतदान करने की सुविधा प्रदान की है। मतपत्र के माध्यम से मतदान करने की सुविधा भी वार्षिक सामान्य बैठक में उपलब्ध कराई जाएगी और इस बैठक में भाग लेने वाले ऐसे सदस्य जिन्हें सुदूर ई-मतदान द्वारा अपने मताधिकार का प्रयोग नहीं किया है, वे इस मतपत्र द्वारा बैठक में अपने मताधिकार का इस्तेमाल कर सकेंगे। ऐसे सदस्य जिन्होंने इस बैठक से पहले सुदूर ई-मतदान द्वारा अपने मताधिकार का प्रयोग किया है, वे इस बैठक में भाग ले सकते हैं लेकिन वे दोबारा मतदान करने के हकदार नहीं होंगे। ई-मतदान के अनुदेश इस नोटिस के संलग्नक में दिए गए हैं।

सुदूर ई-मतदान के लिए अनुदेश

कंपनी अधिनियम, 2013 की धारा 108, कंपनी (प्रबंधन एवं प्रशासन) नियम, 2014 के नियम 20 जिसे कंपनी (प्रबंधन एवं प्रशासन) संशोधन, नियम 2015 द्वारा स्थानापित किया गया है, और सूचीकरण करार के खंड 35बी के अनुपालन में, कंपनी गुरुवार, 3 सितंबर 2015 को, पूर्वाह्न 10.30 बजे आयोजित होने वाली 61वीं वार्षिक सामान्य बैठक आहूत करने की सूचना में निर्धारित सभी संकल्पों पर अपने सदस्यों को अपने मताधिकार का प्रयोग इलेक्ट्रॉनिक रूप से करने की सुविधा सहर्ष प्रदान करती है। कंपनी ने सुदूर ई-मतदान सुविधा प्रदान करने के लिए राष्ट्रीय प्रतिभूति डिपोजिटरी लिमिटेड (एनएसडीएल) की सेवाएं प्राप्त की हैं।

सुदूर ई-मतदान सुविधा www.evoting.nsdl.com लिंक में उपलब्ध है।

कृपया अपने मताधिकार का प्रयोग करने से पहले नीचे मुद्रित अनुदेशों को पढ़ें।

ये ब्यौरे तथा अनुदेश 3 सितंबर 2015 को होने वाली 61वीं वार्षिक सामान्य बैठक की सूचना का अभिन्न भाग बनते हैं।

सुदूर ई-मतदान की सुविधा निम्नलिखित मतदान अवधि के दौरान उपलब्ध होगी -

सुदूर ई-मतदान का प्रारंभ	सुदूर ई-मतदान की समाप्ति
31 अगस्त 2015 को सुबह 9:00 बजे, आईएसटी	2 सितंबर 2015 को अपराह्न 5:00 बजे, आईएसटी

सुदूर ई-मतदान के अनुदेश इस प्रकार हैं -

सुदूर ई-मतदान करने के कदम -

- सदस्य जिनकी शेयरधारिता डीमटीयलीकृत फार्म में हैं तथा जिनके ई-मेल एड्रेस कंपनी / डिपोजिटरी सहभागी (सहभागियों) के पास दर्ज किए गए हैं, को एनएसडीएल से ई-मेल प्राप्त होगा जिसमें यूजर-आईडी तथा पासवर्ड सूचित किए जाएंगे।
 - ई-मेल खोलें और अपने क्लाइंट आईडी या फोलियो संख्या को पासवर्ड बनाते हुए पीडीएफ फाइल यानी "Bharat Electronics Limited remote e-voting.pdf" खोलें। इस पीडीएफ फाइल में सुदूर ई-मतदान के लिए आपका यूजर आईडी और पासवर्ड होगा। कृपया नोट करें कि यह पासवर्ड प्रारंभिक पासवर्ड/पिन है, जिसे सदस्य बदल सकते हैं।

shareholders to dematerialise BEL shares. In this connection, Members may please contact the Registrar and Transfer Agent, M/s Integrated Enterprises (India) Ltd.

- The Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

Instructions for remote e-voting

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 61st Annual General Meeting to be held on the Thursday, 3 September 2015 at 10.30 A.M. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the remote e-voting facility.

The remote e-voting facility is available at the link www.evoting.nsdl.com

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the 61st Annual General Meeting to be held on 3 September 2015.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
31 August 2015 at 9:00 A.M. IST	2 September 2015 at 5:00 P.M. IST

The instructions for remote e-voting are as under :

Steps for remote e-voting:

- Members whose shareholding is in the dematerialised form and whose e-mail addresses are registered with the Company / Depository Participants(s) will receive an e-mail from NSDL informing the User-ID and Password.
 - Open e-mail and open PDF file viz.; "Bharat Electronics Limited remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password, which the member may change.

2. इंटरनेट ब्राउज़र खोलें और निम्नलिखित यूआरएल टाइप करें -
<https://www.evoting.nsdl.com>
 3. शेयरधारक - लॉगिन पर क्लिक करें ।
 4. यदि आप सुदूर ई-मतदान करने के लिए एनएसडीएल में पहले से पंजीकृत हैं, तो लॉगिन करने के लिए आप अपने विद्यमान यूजर आईडी और पासवर्ड का इस्तेमाल कर सकते हैं ।
 5. यदि आप पहली बार लॉगिंग कर रहे हैं, तो कृपया कदम (1) में बताए गए प्रारंभिक पासवर्ड के रूप में यूजर आईडी और पासवर्ड/पिन को प्रविष्ट करें । लॉगिन पर क्लिक करें ।
 6. पासवर्ड चेंज का मेन्यू प्रकट होगा । अपनी पसंद के नए पासवर्ड से पासवर्ड/पिन बदलें जिसमें कम से कम 8 अंकों / अक्षरों का सम्मिश्रण हो । इस नए पासवर्ड को नोट कर लें । आपको सख्त हिदायत दी जाती है कि अपने पासवर्ड को किसी अन्य व्यक्ति के साथ साझा न करें और अपने पासवर्ड को गोपनीय बनाए रखने के लिए अत्यधिक ध्यान रखें ।
 7. सुदूर ई-मतदान का होम पेज खुलेगा । रिमोट ई-वोटिंग - एक्टिव वोटिंग साइकल्स पर क्लिक करें ।
 8. भारत इलेक्ट्रॉनिक्स लिमिटेड के "EVEN" (सुदूर ई वोटिंग इवेंट नंबर) को सेलेक्ट करें । नंबर प्रविष्ट करने के बाद, मताधिकार का प्रयोग करें पेज खुलेगा । अब आप मतदान कर सकते हैं ।
 9. मताधिकार का प्रयोग करें - पेज खुलते ही अब आप सुदूर ई-मतदान के लिए तैयार हैं ।
 10. अपने पसंद का विकल्प चुनते हुए और सबमिट पर क्लिक करते हुए अपना मतदान करें । कन्फर्म का मेन्यू आते ही उस पर क्लिक करें । कृपया नोट करें कि आपका मतदान चयनित संकल्प पर किया गया है और उसे संशोधित नहीं किया जा सकेगा ।
 11. कन्फर्म करने के बाद, "Vote cast successfully" संदेश प्रदर्शित होगा ।
 12. संस्थागत सदस्यों (यानी व्यक्ति, एचयूएफ, एनआरआई आदि के अलावा) को विधिवत् प्राधिकृत हस्ताक्षरी जो मतदान करने के लिए प्राधिकृत हैं, के हस्ताक्षर के अधिप्राणित नमूनों के साथ-साथ संबंधित मंडल संकल्प / प्राधिकार पत्र आदि की स्कैन की गई प्रति स्कूटिनाइज़र को (pdf/jpg फॉर्मेट) gthirupal@gmail.com को तथा उसकी प्रति evoting@nsdl.co.in को ई-मेल द्वारा भेजनी है ।
- II. ऐसे सदस्य जो शेयरों को डीमटीरियलीकृत रूप में धारित करते हैं जिनके ई-मेल आईडी कंपनी / डिपोजिटरी सहभागियों के पास दर्ज नहीं हैं, ऐसे सदस्य जो शेयरों को भौतिक रूप में धारित करते हैं तथा ऐसे सदस्य जिन्होंने सूचना तथा वार्षिक प्रतिवेदन की भौतिक प्रति का अनुरोध किया है, निम्नलिखित अनुदेश नोट करें -
1. वार्षिक सामान्य बैठक के लिए उपस्थिति पर्ची के नीचे प्रारंभिक पासवर्ड इस प्रकार दिया गया है -
EVEN (सुदूर ई वोटिंग इवेंट नंबर संख्या) यूजर आईडी पासवर्ड
 2. अपने मताधिकार का प्रयोग करने के लिए कृपया उपर्युक्त (I) में क्र.सं. 1 से क्र.सं. 13 तक के सभी कदमों का पालन करें ।
2. Open the internet browser and type the following URL:
<https://www.evoting.nsdl.com>
 3. Click on Shareholder – Login.
 4. If you are already registered with NSDL for remote e-voting, then you can use your existing User ID and Password for Login.
 5. If you are logging for the first time, please enter the User ID and Password as initial password/PIN noted in step (1) above. Click Login.
 6. Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 7. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 8. Select "EVEN" (remote E-Voting Event Number) of Bharat Electronics Limited. Once you enter the number, the Cast Vote page will open.
 9. Now you are ready for remote e-voting as Cast Vote page opens.
 10. Cast your vote by selecting your favoured option and clicking Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
 11. Upon confirmation, the message "Vote cast successfully" will be displayed.
 12. Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (pdf/jpg format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to gthirupal@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. For Members holding shares in dematerialised form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
1. Initial password is provided as below at the bottom of the Attendance Slip for the AGM:
EVEN (remote E-Voting Event Number) USER ID PASSWORD
 2. Please follow all steps from Sr. No. 1 to Sr. No. 13 in (I) above, to cast vote.

सामान्य अनुदेश

1. यदि आपको कोई प्रश्न पूछना है तो शेयरधारकों के लिए अक्सर पूछे जाने वाले प्रश्न (एफएक्व) तथा www.evoting.nsdl.com के डाउनलोड करने योग्य भाग में उपलब्ध सदस्यों के सुदूर ई-मतदान प्रयोक्ता मैनुअल का संदर्भ ले या फ़ोन नंबर No.022-24994600/1800222990 पर एनएसडीएल से संपर्क करें।
2. ई-मतदान वेबसाइट पर लॉगिन करने के लगातार पाँच असफल प्रयास के बाद वेबसाइट निष्क्रिय हो जाएगी। ऐसी स्थिति में, आपको पासवर्ड दोबारा सेट करने के लिए साइट में उपलब्ध 'Forgot Password' विकल्प से आगे बढ़ना होगा।
3. यदि आप सुदूर ई-मतदान करने के लिए एनएसडीएल में पहले से पंजीकृत हैं, तो अपने मताधिकार का प्रयोग करने के लिए आप अपने विद्यमान यूजर आईडी और पासवर्ड/पिन का इस्तेमाल कर सकते हैं।
4. आप फोलियो के यूजर प्रोफाइल ब्यौरे में अपना मोबाइल नंबर और ई-मेल आईडी अद्यतन भी कर सकते हैं जिसका इस्तेमाल भावी सम्प्रेषण भेजने के लिए किया जा सकता है।
5. सुदूर ई-मतदान की अवधि 31 अगस्त 2015 (सुबह 9 बजे) से शुरू होगी और 2 सितंबर 2015 (अपराह्न 5 बजे) को समाप्त होगी। इस अवधि के दौरान, कंपनी के सदस्य जो शेयरों को भौतिक रूप में या डीमटीरियलीकृत रूप में धारित करते हैं, 27 अगस्त 2015 की निर्दिष्ट तारीख को, अपने मताधिकार का प्रयोग इलेक्ट्रॉनिक रूप से कर सकते हैं। उसके बाद मतदान के लिए एनएसडीएल द्वारा सुदूर ई-मतदान का मॉड्यूल निष्क्रिय कर दिया जाएगा। सदस्य द्वारा किसी संकल्प पर मतदान का प्रयोग कर लिए जाने के बाद, सदस्यों को उसे बदलने की अनुमति नहीं होगी।
6. सदस्यों के मतदान अधिकार 27 अगस्त 2015 की निर्दिष्ट तारीख को कंपनी की चुकता साम्या शेयर पूंजी के उनके हिस्से के अनुपात में होंगे।
7. कोई व्यक्ति जो नोटिस को भेजने के बाद कंपनी के शेयर अर्जित करते हैं और सदस्य बनते हैं और निर्दिष्ट तारीख यानी 27 अगस्त 2015 को शेयर धारित करते हैं, evoting@nsdl.co.in को अनुरोध भेजते हुए या एनएसडीएल के श्री राजीव रंजन को टॉल फ्री नंबर 1800222990 पर संपर्क करते हुए लॉगिन आईडी और पासवर्ड प्राप्त कर सकते हैं।
8. कंपनी ने ई-मतदान की प्रक्रिया की उचित एवं पारदर्शी ढंग से छानबीन करने के लिए श्री तिरुपाल गोरिजे, एफसीएस 6680, प्रैक्टिसिंग कंपनी सचिव को स्कूटिनाइज़र नियुक्त किया है।
9. वार्षिक सामान्य बैठक में, संकल्प जिन पर मतदान किया जाना है, के बारे में चर्चा की समाप्ति पर, अध्यक्ष, स्कूटिनाइज़र की सहायता से ऐसे सभी सदस्यों के लिए जो उपस्थित हैं लेकिन जिन्होंने सुदूर ई-मतदान सुविधा का इस्तेमाल करते हुए इलेक्ट्रॉनिक रूप से मतदान नहीं किया है, मतपत्र के माध्यम से मतदान का आदेश देंगे।
10. स्कूटिनाइज़र वार्षिक सामान्य बैठक में मतदान पूरा होने के तुरंत बाद, वार्षिक सामान्य बैठक में किए गए मतदान की गणना करेंगे और तदुपरांत कम से कम दो गवाह, जो कंपनी के नियोजन में नहीं हैं, की उपस्थिति में सुदूर ई-मतदान के माध्यम से किए गए मतदान को खोलेंगे। स्कूटिनाइज़र वार्षिक सामान्य बैठक की समाप्ति के बाद अधिकतम तीन दिनों के भीतर, पक्ष या विपक्ष, यदि कोई हो, में डाले गए कुल मतों की समेकित स्कूटिनाइज़र रिपोर्ट कंपनी के अध्यक्ष को पेश करेंगे। अध्यक्ष या उनके द्वारा प्राधिकृत व्यक्ति किए गए मतदान के नतीजों की घोषणा करेंगे।

General Instructions

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or contact NSDL at the phone No.022-24994600/1800222990.
2. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
3. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The remote e-voting period commences on 31 August 2015 (9:00 A.M.) and ends on 2 September 2015 (5:00 P.M.). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut off date of 27 August 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
6. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut off date of 27 August 2015.
7. Any person who acquires shares of the company and becomes a member after dispatch of the notice and holding shares as on the Cut off date i.e. 27 August 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Mr Rajiv Ranjan of NSDL at toll free no. 1800222990.
8. 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.
9. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those Members who are present but have not cast their votes electronically using the remote e-voting facility.
10. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days 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.

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

सूचना का संलग्नक

कंपनी अधिनियम, 2013 की धारा 102 के तारतम्य में व्याख्यात्मक विवरण।

मद सं. 5 के संबंध में

चूँकि आपकी कंपनी एक सरकारी कंपनी है, इसके मंडल के निदेशक भारत सरकार (सरकार) द्वारा नियुक्त किए जाते हैं।

सरकार ने पत्र दिनांक 3 नवंबर 2014 द्वारा श्री जे. राम कृष्ण रॉय संयुक्त सचिव (ईएस), रक्षा मंत्रालय को आगे के आदेश दिए जाने तक, बीईएल के मंडल में अंशकालिक सरकारी निदेशक (सरकारी निदेशक) नियुक्त किया।

कंपनी अधिनियम 2013 की धारा 161(1) तथा कंपनी की अंतर्नियमावली के अनुच्छेद 71सी के तारतम्य में, निदेशक मंडल ने श्री जे राम कृष्ण रॉय को अगली वार्षिक सामान्य बैठक की तिथि तक पदधारित करने के लिए अतिरिक्त निदेशक के रूप में नियुक्त किया है।

तदुपरांत, कंपनी ने अधिनियम की धारा 160 के तहत सदस्यों से कंपनी के निदेशक के रूप में उपर्युक्त व्यक्ति की नियुक्ति का प्रस्ताव करने के अपने आशय को दर्शाते हुए लिखित सूचना और ₹ 100,000/- की जमा राशि प्राप्त की है।

स्टाक एक्सचेंजों के सूचीकरण करार के अनुसार शेरधारकों को अग्रेषित किए जाने हेतु आवश्यक, श्री जे. राम कृष्ण रॉय का संक्षिप्त जीवन-वृत्त संलग्न है। आपके निदेशक महसूस करते हैं नए निदेशकों के ज्ञान तथा समृद्ध अनुभव से कंपनी को अत्यधिक लाभ होगा और तदनुसार सूचना की मद सं. 5 में प्रस्तावित संकल्प पारित करने की संस्तुति करते हैं।

कंपनी के कोई भी निदेशक (श्री जे. राम कृष्ण रॉय संयुक्त सचिव (ईएस), रक्षा मंत्रालय को छोड़कर) तथा कंपनी के प्रमुख प्रबंधकीय कार्मिक या उनके रिश्तेदार मद सं. 5 में दिए गए संकल्प में किसी भी प्रकार से संबद्ध या इच्छुक नहीं है।

मद सं. 6 के संबंध में

कंपनी अधिनियम, 2013 की धारा 148(3) जिसे 31 मार्च 2014 को अधिसूचित (तथा 1 अप्रैल 2014 से प्रभावी) कंपनी (लेखा परीक्षा एवं लेखा परीक्षकों के नियम), 2014 (नियम) के साथ पढ़ा जाना है, के अनुसार, कंपनी का निदेशक मंडल लेखा परीक्षा समिति, जो लागत लेखा परीक्षक के पारिश्रमिक की भी सिफारिश करेगी, की सिफारिश पर लागत लेखा परीक्षक की नियुक्ति करेगा। इस नियम की यह आवश्यकता भी बताई गई है कि लागत लेखा परीक्षक के पारिश्रमिक का अनुसमर्थन तदुपरांत सदस्यों द्वारा भी किया जाएगा।

लेखा परीक्षा समिति द्वारा की गई सिफारिश के अनुसार, बीईएल के निदेशक मंडल ने मे. पीएसवी एंड एसोसिएट्स, लागत लेखाकार, बेंगलूरु को इस संकल्प में यथा दर्शित

11. The result, along with the Scrutinizer's Report, will be placed on the Company's website, www.bel-india.com 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.

ANNEXURE TO THE NOTICE

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

In respect of item No. 5

Your Company being a Government Company, the Directors on the Board are appointed by the Government of India (the Government).

The Government has vide its letter dated 3 November 2014 appointed Mr J Rama Krishna Rao, Joint Secretary (ES), Ministry of Defence as part-time official Director (Govt. Director) on the BEL Board till further orders.

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 J Rama Krishna Rao, as Additional Director, to hold office upto the date of the next Annual General Meeting.

Subsequently, the Company has received notice in writing under Section 160 of the Act from a member signifying his intention to propose the appointment of above said person as Director of the Company and a deposit of ₹ 100,000/- has been received along with the notice.

Brief resume of Mr J Rama Krishna Rao, required to be forwarded to the Shareholders as per Listing Agreement with Stock Exchanges is enclosed. Your Directors feel that the Company would immensely benefit from the knowledge and rich experience possessed by the new Director and accordingly recommend the passing of the resolution proposed at item No. 5 of the Notice.

None of the Directors (other than Mr J Rama Krishna Rao, Joint Secretary (ES), Ministry of Defence) and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution set out at item No. 5 of the notice of this meeting.

In respect of item No. 6

As per Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors Rules), 2014 (the Rules) notified on 31 March 2014 (and effective from 1 April 2014) 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 PSV & Associates, Cost Accountants, Bengaluru

निबंधनों/पारिश्रमिक पर वित्तीय वर्ष 2015-16 के लिए कंपनी की लागत लेखा परीक्षा करने के लिए नियुक्त किया है। अधिनियम की धारा 148(3) जिसे कंपनी (लेखा परीक्षा तथा लेखा परीक्षक) नियम, 2014 के नियम 14 के साथ पढ़ा जाना है, के तहत यथा अपेक्षित, निदेशक मंडल द्वारा तय किए गए लागत लेखा परीक्षकों के पारिश्रमिक को अनुसमर्थन के लिए सदस्यों के समक्ष पेश किया जाता है।

कंपनी के कोई भी निदेशक तथा कंपनी के प्रमुख प्रबंधकीय कार्मिक या उनके रिश्तेदार इस बैठक की नोटिस के मद सं. 6 में दिए गए संकल्प में किसी भी प्रकार से संबंध या इच्छुक नहीं है।

मद सं. 7, 8 और 9 के संबंध में -

कंपनी की प्राधिकृत शेयर पूँजी ₹ 1,000,000,000 (रुपए एक सौ करोड़ मात्र) है जो ₹ 10 (रुपए दस मात्र) प्रत्येक के 100,000,000 (दस करोड़ मात्र) ईक्विटी शेयरों में विभाजित है। कंपनी की अभिदत्त, जारी और चुकता पूँजी ₹ 800,000,000 (रुपए अस्सी करोड़ मात्र) है जो ₹ 10 (रुपए दस मात्र) प्रत्येक के 80,000,000 (आठ करोड़ मात्र) ईक्विटी शेयरों में विभाजित है।

चूँकि मंडल ने दिनांक 24 जुलाई 2015 को हुई अपनी बैठक में बोनस शेयर जारी करते हुए अपने मुक्त प्रारक्षण का पूँजीकरण करने का निर्णय लिया है, कंपनी की विद्यमान प्राधिकृत शेयर पूँजी को इस बैठक की नोटिस के संकल्प सं. 7 में निर्धारित रीति से ₹ 10 प्रत्येक के अतिरिक्त 150,000,000 ईक्विटी शेयर सृजित करते हुए ₹ 10 (रुपए दस मात्र) प्रत्येक के ₹ 2,500,000,000 (रुपए दो सौ पचास करोड़ मात्र) जो ₹ 10 (रुपए दस मात्र) प्रत्येक के 250,000,000 (पच्चीस करोड़ मात्र) ईक्विटी शेयरों में विभाजित है, तक बढ़ाने का प्रस्ताव है। इस प्रकार, इस बढ़ोतरी से कंपनी बोनस इश्यू के माध्यम से अतिरिक्त पूँजी जारी कर सकेगी।

प्राधिकृत शेयर पूँजी में प्रस्तावित बढ़ोतरी के लिए संस्था के बहिर्नियम के विद्यमान खंड-V तथा संस्था के अंतर्नियम के अनुच्छेद-5 में इस बैठक की नोटिस के संकल्प 8 और 9 में दी गई रीति अनुसार परिवर्तन करना होगा।

विद्यमान संस्था के अंतर्नियम और संस्था के बहिर्नियम के साथ-साथ प्रस्तावित परिवर्तन को प्रतिबिंबित करते हुए संस्था के अंतर्नियम और संस्था के बहिर्नियम की एक प्रति कंपनी के पंजीकृत कार्यालय में सभी कार्य दिवसों में कार्यालयीन घंटों के दौरान और वार्षिक सामान्य बैठक में भी सदस्यों के निरीक्षणार्थ रखी जाएगी।

तदनुसार, मंडल नोटिस की मद सं. 7 में निर्धारित संकल्पों को सामान्य संकल्प के रूप में और मद सं. 8 और 9 को विशेष संकल्पों के रूप में सदस्यों द्वारा पारित किए जाने की सिफारिश करता है।

कोई भी निदेशक, मुख्य प्रबंधकीय कार्मिक तथा उनके रिश्तेदार इस बैठक की नोटिस की मद सं. 7, 8 और 9 में निर्धारित संकल्पों से किसी भी प्रकार संबंधित या इच्छुक नहीं हैं।

मद सं. 10 के संबंध में -

आपकी कंपनी के ईक्विटी शेयर नेशनल स्टॉक एक्सचेंज ऑफ इंडिया और बीएसई लिमिटेड में सूचीबद्ध हैं और वहां उनका लेनदेन किया जाता है। सदस्य यह जानते होंगे कि पिछले कुछ वर्षों में कंपनी का कामकाज उल्लेखनीय रूप से बढ़ा है जिससे बाज़ार

to conduct cost audit of the Company for the financial year 2015-16 on the terms / remuneration as indicated in the resolution. As required under Section 148(3) of the Act, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the cost auditors, fixed by the Board of Directors, is placed before the members for ratification.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution set out at item No. 6 of the notice of this meeting.

In respect of item No. 7, 8 & 9:

The present Authorised Share Capital of the Company is ₹ 1,000,000,000 (Rupees one hundred crores only) divided into 100,000,000 (Ten crores only) Equity Shares of ₹ 10 (Rupees ten only) each. The Subscribed, Issued and paid up capital of the Company is ₹ 800,000,000 (Rupees eighty crores only) divided into 80,000,000 (Eight crores only) Equity Shares of ₹ 10 (Rupees ten only) each.

As the Board has in its Meeting held on 24 July 2015, decided to capitalize its free reserves by way of issuance of bonus shares, it is proposed to increase the present Authorised Share Capital of the Company to ₹ 2,500,000,000 (Rupees two hundred and fifty crores Only) divided into 250,000,000 (Twenty five crores only) Equity Shares of ₹ 10 (Rupees ten only) each by way of creation of additional 150,000,000 Equity Shares of ₹ 10 each in the manner as set out in Resolution no. 7 of the Notice of this meeting. Thus the increase shall enable the Company to issue further capital by way of Bonus Issue.

The proposed increase in Authorised Share Capital shall require alteration of existing Clause-V of the Memorandum of Association and Article-5 of Articles of Association of the Company in the manner as set out in Resolution no. 8 & 9 of the Notice of this meeting.

A copy of the Memorandum of Association and Articles of Association reflecting the proposed amendment together with the existing Memorandum and Articles of Association shall be open for inspection at the Registered Office of the Company during office hours on all working days and is also available for inspection by the Members at the AGM.

Accordingly, the Board recommends passing of the resolutions set forth in Item no. 7 of the notice as an Ordinary Resolution and Item Nos. 8 and 9 as Special Resolutions by the Members.

None of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested, in the resolutions set forth in Item Nos. 7, 8 and 9 of the Notice of this Meeting.

In respect of item No. 10 :

The equity shares of your Company are listed and actively traded on the National Stock Exchange of India Limited and BSE Limited. The Members may be aware that the operation of the Company has

में कंपनी के ईक्विटी शेयरों में रुचि अत्यधिक बढ़ी है। इसके अलावा, सामान्य आर्थिक परिवेश के सकारात्मक होने से कंपनी के शेयरों का बाज़ार मूल्य भी उल्लेखनीय रूप से बढ़ा है। यथा 31 मार्च 2015 के लेखा परीक्षित वित्तीय विवरणों के अनुसार कंपनी के कुल प्रारक्षण और अधिशेष ₹ 780,502.89 लाख हैं। कंपनी के प्रारक्षण और अधिशेषों की स्थिति पर विचार करते हुए तथा स्टॉक बाज़ार में कंपनी के शेयरों की तरलता में सुधार करने और छोटे निवेशकों के लिए वहनीय बनाने के उद्देश्य से, कंपनी के निदेशक मंडल ने दिनांक 24 जुलाई 2015 को हुई अपनी बैठक में 2:1 (धारित प्रत्येक शेयर के लिए दो बोनस शेयर) के अनुपात में बोनस शेयर जारी करने की सिफारिश करने पर विचार किया।

ऐसे पूर्ण चुकता बोनस शेयर कंपनी के उन सदस्यों को वितरित किए जाएंगे जिनके नाम कंपनी के सदस्यों के रजिस्टर में या बोनस शेयरों को जारी करने के प्रयोजनार्थ आपकी कंपनी के निदेशक मंडल द्वारा निर्धारित की जाने वाली रिकार्ड तारीख पर, अपने संबंधित डिपॉजिटरी सहभागियों के तत्संबंधी हिताधिकारी खातों में प्रकट होंगे।

इस तरह आबंटित बोनस शेयर कंपनी के विद्यमान ईक्विटी शेयरों पर लाभांश सहित हर प्रकार से साथ-साथ श्रेणीकृत होंगे। बोनस शेयरों का प्रस्तावित इश्यू कंपनी अधिनियम, 2013 के प्रावधानों तथा भारतीय प्रतिभूति विनियम बोर्ड द्वारा समय-समय पर जारी दिशा-निर्देशों के अनुसार होंगे और ऐसे अनुमोदनों की शर्त पर होंगे जो सांविधिक प्राधिकारियों की अपेक्षा अनुसार होंगे। इसके अलावा, सेबी, स्टॉक एक्सचेंज जहाँ कंपनी के शेयर सूचीबद्ध हैं, तथा / या कोई अन्य विनियामक या सांविधिक प्राधिकरण जो बोनस शेयरों के जारी करने से संबंधित हैं, द्वारा निर्धारित सभी विनियामक औपचारिकताएँ पूरी करने के लिए निदेशक मंडल / मंडल की समिति को प्राधिकृत करना ज़रूरी है।

तदनुसार, मंडल मद सं. 10 में निर्धारित संकल्प को सदस्यों द्वारा सामान्य संकल्प के रूप में पारित करने की सिफारिश करता है।

कोई भी निदेशक, मुख्य प्रबंधकीय कार्मिक तथा उनके रिश्तेदार इस बैठक की नोटिस की मद सं. 10 में निर्धारित संकल्पों से किसी भी प्रकार संबंधित या इच्छुक नहीं हैं।

स्टॉक एक्सचेंजों के सूचीकरण करार के खण्ड 49 के तहत यथा अपेक्षित, नियुक्ति / पुनःनियुक्ति चाहने वाले निदेशकों का संक्षिप्त जीवन-वृत्त

निदेशकों की पुनःनियुक्ति

श्री पी आर आचार्या (डीआईएन - 06683267)

श्री पी आर आचार्या ने 2 सितंबर 2013 को निदेशक (वित्त) का कार्यभार संभाला। उन्हें भारत सरकार में कार्य करने का लगभग 29 वर्षों का अनुभव है। श्री आचार्या ने अपने करियर की शुरुआत तात्कालीन डीसीएम लि. से की और उसके बाद ओएनजीसी में कार्य किया। उन्होंने 1985 में भारतीय लेखा परीक्षा और लेखा सेवा में कार्यग्रहण किया। तब से, उन्होंने सार्वजनिक नीति, वित्त, कार्मिक, प्रशासन तथा चूक प्रबंधन में व्यापक विशेषज्ञता के साथ विभिन्न भूमिकाओं में कार्य किया। उन्होंने दिल्ली विकास प्राधिकरण के वित्त सदस्य; संयुक्त सचिव (वित्त), नेटग्रिड, गृह मंत्रालय; प्रधान निदेशक (अंतर्राष्ट्रीय संबंध), भारतीय सी एंड एजी कार्यालय; महालेखाकार (लेखा परीक्षा), पश्चिम बंगाल; लेखा परीक्षा के प्रधान निदेशक तथा पदेन सदस्य, लेखा

grown significantly during the last few years, which has generated considerable interest in the Company's Equity Shares in the Market. This coupled with the general positive economic environment, the market price of the Company's shares have also increased significantly. The total Reserves and Surplus of the Company as per the Audited Financial Statements as at 31 March 2015 are ₹ 780,502.89 lakhs. Considering the position of Reserves and Surplus of the Company and in order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company at their meeting held on 24 July 2015 considered it desirable to recommend issue of Bonus Shares in the ratio of 2:1 (two bonus shares for every share held).

Such Fully Paid-up Bonus Shares shall be distributed to the Members of Company, whose names shall appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company for the purpose of issue of Bonus Shares.

The Bonus Shares so allotted shall rank pari passu in all respects including dividend with the existing equity shares of the Company. The proposed issue of Bonus Shares will be made in accordance with the provisions of Companies Act, 2013 and guidelines issued by the Securities Exchange Board of India from time to time and subject to such approvals, as may be required, from the statutory authorities. Further, it is necessary to authorise the Board of Directors /Committee of the Board to complete all the regulatory formalities prescribed by SEBI, Stock Exchanges on which the shares of the Company are listed and / or any other regulatory or statutory authority in connection with the issue of Bonus Shares.

Accordingly, the Board recommends passing of the resolutions set forth in Item No. 10 as an Ordinary Resolution by the Members.

None of the Directors, Key Managerial Personnel and their relatives is in any way concerned or interested, in the resolutions set forth in Item No. 10 of the Notice of this meeting.

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT, AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

RE-APPOINTMENT OF DIRECTORS

Mr P R Acharya (DIN - 06683267)

Mr P R Acharya took charge as Director (Finance) on 2 September 2013. He has nearly 29 years of work experience with the Government of India. Mr Acharya started his career with the then DCM Ltd. and went on to work for ONGC. He joined the Indian Audit and Accounts Service in 1985. Since then, he has handled diverse roles with broad-based expertise in public policy, finance, personnel, administration and oversight management. He has served as Finance Member of the Delhi Development Authority; Joint Secretary (Finance), NATGRID, Ministry of Home Affairs; Principal Director (International Relations), O/o C&AG of India; Accountant General (Audit), West Bengal; Principal Director of Audit & Ex-Officio

परीक्षा बोर्ड, कोलकाता; भारतीय उच्चायोग में काउंसलर, लंदन; सहायक (कार्मिक) एवं निदेशक सी एंड एजी (कार्मिक); तथा भू परिवहन मंत्रालय में उप सचिव के रूप में अपनी सेवाएँ प्रदान की। वे आईआईएफटी, नई दिल्ली से अंतर्राष्ट्रीय व्यवसाय में एमबीए हैं, सीएलसी, दिल्ली विश्वविद्यालय से स्नातक हैं, उत्कल विश्वविद्यालय से स्नातकोत्तर तथा भारतीय विधि संस्थान, नई दिल्ली से श्रम विधि में डिप्लोमा धारक हैं। श्री पी आर आचार्या बीईएल में कोई शेयर धारण नहीं करते।

कंपनियाँ (भारत इलेक्ट्रॉनिक्स लिमिटेड को छोड़कर) जिनमें श्री पी आर आचार्या निदेशक और समिति सदस्य हैं -

निदेशक -

जीई बीई प्राइवेट लिमिटेड
बीईएल ऑप्ट्रॉनिक डिवाइसेस लिमिटेड
बीईएल-थेलेस सिस्टम्स लिमिटेड

मंडल की समितियों के अध्यक्ष - कोई नहीं

मंडल की समितियों में सदस्य -

बीईएल ऑप्ट्रॉनिक डिवाइसेस लिमिटेड	- लेखा परीक्षा समिति
बीईएल ऑप्ट्रॉनिक डिवाइसेस लिमिटेड	- नामांकन एवं पारिश्रमिक समिति
बीईएल ऑप्ट्रॉनिक डिवाइसेस लिमिटेड	- सीएसआर समिति
बीईएल ऑप्ट्रॉनिक डिवाइसेस लिमिटेड	- निवेश समिति
जीई बीई प्राइवेट लिमिटेड	- लेखा परीक्षा समिति
जीई बीई प्राइवेट लिमिटेड	- सीएसआर समिति

ले. जन. सी ए कृष्णन (डीआईएन - 05126607)

ले. जन. सी ए कृष्णन, उत्तम युद्ध सेवा मेडल, अति विशिष्ट सेवा मेडल, उप थलसेनाध्यक्ष (योजना एवं प्रणाली) तथा रेंजिमेंट 4 गोरखा रायफल्स के कर्नल को दिनांक 1 मई 2014 से प्रभावी करते हुए बीईएल के मंडल में अंशकालिक सरकारी निदेशक (सरकारी निदेशक) नियुक्त किया गया है। ले. जनरल कृष्णन राष्ट्रीय रक्षा अकादमी, खड़कवास्ता के पूर्व-विद्यार्थी हैं। उन्हें 13 जून 1976 को 4 गोरखा रायफल्स (चिनिडिट्स) में कमीशन प्रदान किया गया। अपने लंबे सेवा करियर के दौरान वे भारतीय थलसेना में सभी स्तरों पर विभिन्न प्रकार की कमान, स्टाफ और अनुदेशात्मक समनुदेशनों को पूरा किया और विभिन्न अनुदेशात्मक पाठ्यक्रमों में भाग लिया जिनमें रक्षा सेवा स्टाफ पाठ्यक्रम, उच्चतर कमान तथा राष्ट्रीय रक्षा कॉलेज शामिल हैं। इस जनरल अधिकारी ने जम्मू और कश्मीर में नियंत्रण रेखा पर एक बटालियन की कमान संभाली, 'आपरेशन रक्षक' (जम्मू-कश्मीर) में इफेंटी ब्रिगेड की कमान संभाली, मणिपुर राज्य में 'आपरेशन हिफाज़त' में असम रायफल्स (दक्षिण) के महानिरीक्षक थे और असम तथा अरुणाचल प्रदेश राज्यों में 'आपरेशन राइनो' तथा 'आपरेशन फॉल्कन' में 4 कोर के जनरल अफसर कमांडिंग थे। वे फोर्थ गोरखा रायफल्स के कर्नल हैं। उन्हें अति विशिष्ट सेवा मेडल और उत्तम युद्ध सेवा मेडल प्रदान किए गए हैं। वे रक्षा अध्ययन में स्नातकोत्तर हैं और उच्चतर रक्षा प्रबंध एवं रणनीतिक अध्ययन में एम.फिल हैं। वे पत्रकारिता में और साथ ही नेशनल लॉ स्कूल ऑफ इंडिया यूनिवर्सिटी, बेंगलूर से मानवाधिकार कानून में स्नातकोत्तर डिप्लोमा धारक भी हैं। ले. जन. कृष्णन किसी अन्य कंपनी के मंडल/की समिति में नहीं हैं और वे बीईएल में कोई शेयर धारण नहीं करते।

Member Audit Board, Kolkata; Counsellor in the High Commission of India, London; Assistant (Personnel) & Director C&AG (Personnel); and Deputy Secretary in the Ministry of Surface Transport. He is an MBA in International Business from IIFT, New Delhi, a Law Graduate from CLC, Delhi University, a Post Graduate from Utkal University, and Diploma holder in Labour Laws from the Indian Law Institute, New Delhi. Mr P R Acharya does not hold any shares in BEL.

Companies (other than Bharat Electronics Limited) in which Mr P R Acharya holds Directorship and Committee Membership.

Directorship:

GE BE Private Limited
BEL Optron Devices Limited
BEL-THALES Systems Limited

Chairperson of Board Committees: Nil

Member of Board Committees:

BEL Optron Devices Limited	- Audit Committee
BEL Optron Devices Limited	- Nomination and Remuneration Committee
BEL Optron Devices Limited	- CSR Committee
BEL Optron Devices Limited	- Investment Committee
GE BE Private Limited	- Audit Committee
GE BE Private Limited	- CSR Committee

Lt. Gen. C A Krishnan (DIN - 05126607)

Lt. Gen. C A Krishnan, UYSM, AVSM, Deputy Chief of Army Staff (Planning & System) and Colonel of the Regiment 4 Gorkha Rifles, has been appointed as part-time official Director (Government Director) on BEL Board w.e.f. 1 May 2014. Lt. Gen. C A Krishnan is an alumni of the National Defence Academy, Khadakwasla. He was commissioned into the 4th Gorkha Rifles (CHINDITS) on 13 June 1976. During his long service career, he has held a variety of command, staff and instructional assignments at all levels in the Indian Army and has attended various courses of instructions that include, Defence Services Staff Course, Higher Command and National Defence College. The General Officer commanded a battalion on the line of control in J&K, an Infantry Brigade in 'OP RAKSHAK' (J&K) and was Inspector General Assam Rifles (South) in 'OP HIFAZAT' in the State of Manipur and General Officer Commanding 4 Corps in 'OP RHINO' and 'OP FALCON' in the States of Assam and Arunachal Pradesh. He is the Colonel of the Fourth Gorkha Rifles. He is a recipient of Ati Vishisht Seva Medal and Uttam Yudh Seva Medal. He is a post graduate in Defence Studies and M Phil in Higher Defence Management and Strategic Studies. He also holds a post graduate Diploma in Journalism as well as in Human Rights Laws from the National Law School of India University, Bengaluru. Lt. Gen. C A Krishnan is not on the Board/Committee of any other Company and he does not hold any shares in BEL.

निदेशक की नियुक्ति

श्री जे राम कृष्ण राव (डीआईएन - 03288804)

श्री जे राम कृष्ण राव 1985 बैच के बिहार काडर के भाप्रसे अधिकारी हैं। वे इलेक्ट्रॉनिक्स एवं संचार इंजीनियरी में बी.टेक डिग्री धारक और औद्योगिक इंजीनियरी में स्नातकोत्तर डिप्लोमा धारक हैं। उन्हें 27 से अधिक वर्षों का अनुभव है जिसमें उन्होंने केन्द्र और राज्य सरकारों में विभिन्न महत्वपूर्ण पदों पर कार्य किया है। उनके द्वारा धारित कुछ पदों में शामिल हैं - अध्यक्ष, बिहार पुलिस सेवा आयोग, परीक्षा नियंत्रक, बिहार सम्मिश्रित प्रवेश प्रतियोगिता परीक्षा मंडल, परियोजना निदेशक / आयुक्त, कोशी पुनर्वास एवं पुनर्निर्माण बोर्ड, सलाहकार, राज्य योजना मंडल, बिहार, उप महानिदेशक, यूनीक आइडेंटिफिकेशन अथॉरिटी ऑफ़ इंडिया, सीवीओ, र.मं., विशेष सचिव, कार्मिक एवं ए.आर. विभाग, तथा संयुक्त सचिव, आं.प्र. औद्योगिक अवसंरचना विकास निगम। श्री जे राम कृष्ण राव बीईएल में कोई शेयर धारण नहीं करते।

कंपनियाँ (भारत इलेक्ट्रॉनिक्स लिमिटेड को छोड़कर) जिनमें श्री जे राम कृष्ण राव निदेशक और समिति सदस्य हैं

निदेशक -

भारत डायनामिक्स लिमिटेड

मंडल की समितियों में अध्यक्ष -

भारत डायनामिक्स लिमिटेड - लेखा परीक्षा समिति

भारत डायनामिक्स लिमिटेड - पारिश्रमिक समिति

भारत डायनामिक्स लिमिटेड - सीएसआरपी और एसडी की निगरानी संबंधी समिति

मंडल की समितियों में सदस्य-

भारत डायनामिक्स लिमिटेड - लेखा परीक्षा समिति

भारत डायनामिक्स लिमिटेड - पारिश्रमिक समिति

मंडल के आदेशानुसार,
कृते भारत इलेक्ट्रॉनिक्स लिमिटेड

बेंगलूरु
24 जुलाई 2015

एस श्रीनिवास
कंपनी सचिव

APPOINTMENT OF DIRECTOR

Mr J Rama Krishna Rao (DIN - 03288804)

Mr J Rama Krishna Rao is a 1985 batch Bihar cadre IAS Officer. He has a B Tech degree in Electronics & Communication Engineering and holds a PG Diploma in Industrial Engineering. He has over 27 years of experience, having held several important posts at the Centre and in the States. Some of the posts held by him in the past are: Chairman, Bihar Public Service Commission; Examination Controller, Bihar Combined Entrance Competitive Exam Board; Project Director / Commissioner, Koshi Rehabilitation and Reconstruction Project; Consultant, State Planning Board, Bihar; Dy Director General, Unique Identification Authority of India; CVO, MoD; Special Secretary, Personnel & AR Dept; and Joint Secretary, AP Industrial Infrastructure Development Corporation. Mr J Rama Krishna Rao does not hold any shares in BEL.

Companies (other than Bharat Electronics Limited) in which Mr J Rama Krishna Rao holds Directorship and Committee Membership.

Directorship:

Bharat Dynamics Limited

Chairperson of Board Committees:

Bharat Dynamics Limited- Audit Committee

Bharat Dynamics Limited- Remuneration Committee

Bharat Dynamics Limited- Committee for Monitoring CSRP & SD

Member of Board Committees:

Bharat Dynamics Limited- Audit Committee

Bharat Dynamics Limited- Remuneration Committee

By order of the Board,
For **Bharat Electronics Limited**

Bengaluru
24 July 2015

S Sreenivas
Company Secretary

एजीएम स्थल के लिए बीएमटीसी बस

केम्पेगौड़ा बस स्टॉप से

284 सीरीज़, 286 सीरीज़, 287 सीरीज़, 288 सीरीज़
(शिवानंद बस स्टॉप पर उतरें)

शिवाजीनगर बस डिपो से

63 सीरीज़
(शिवानंद बस स्टॉप पर उतरें)

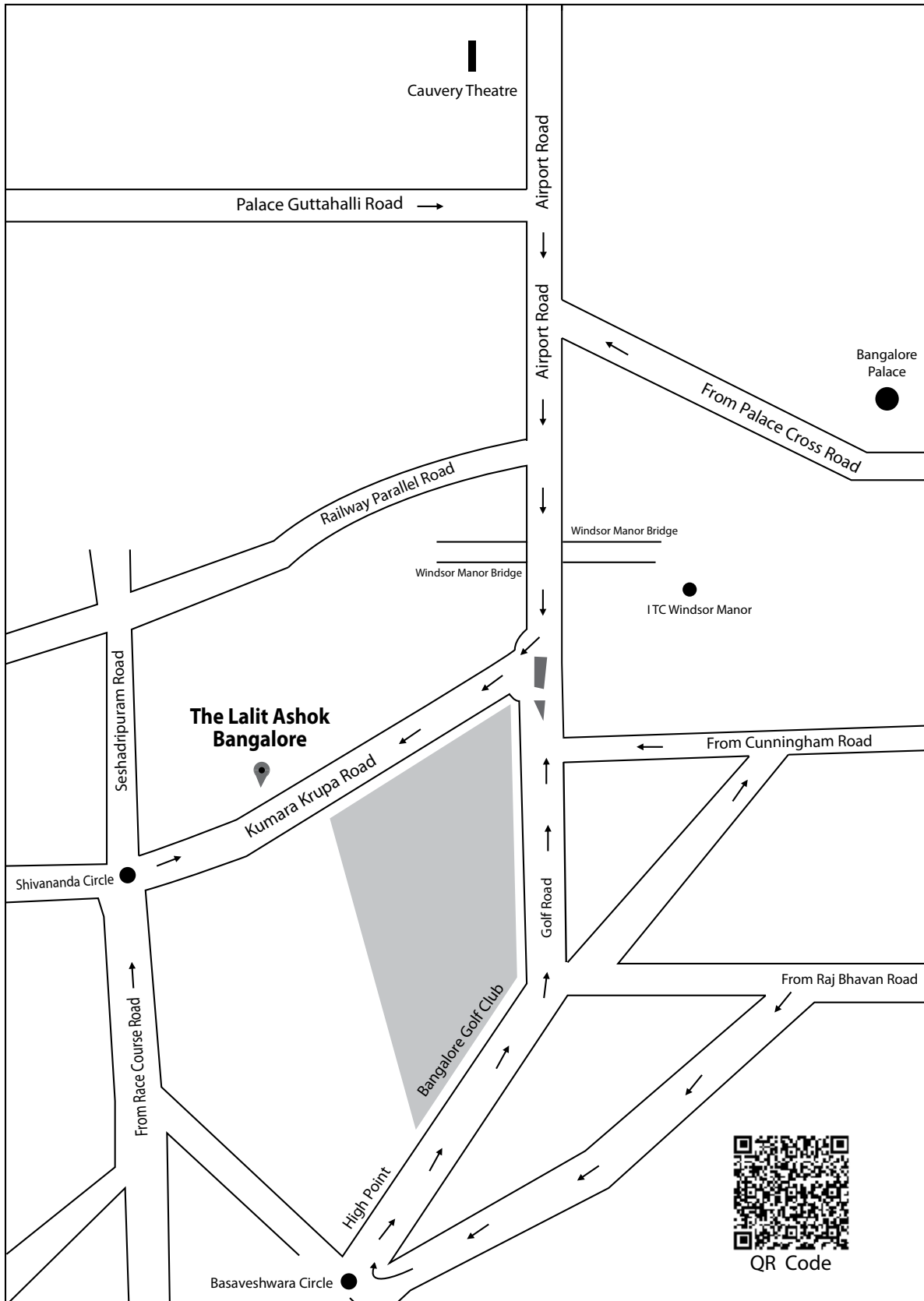
BMTC BUS TO AGM VENUE

From Kempegowda Bus Stop :

284 series, 286 series, 287 series, 288 series
(Alight at Shivananda Bus Stop)

From Shivajinagar Bus Depot

63 series
(Alight at Shivananda Bus Stop)





ANNUAL REPORT

2014-15





The Hon'ble Prime Minister, Shri Narendra Modi, being briefed by Mr S K Sharma, CMD, at the BEL stall during Aero India 2015.



Mr Manohar Parrikar, Raksha Mantri, commissioning the Information Management and Analysis Centre (IMAC) of NC3I. Also seen are Mr R K Mathur, Defence Secretary; Admiral R K Dhowan, Chief of the Naval Staff; Mr Rao Inderjit Singh, Raksha Rajya Mantri; Vice Admiral Anurag G Thapliyal, Director General, Indian Coast Guard; and Mr S K Sharma, CMD.

Corporate Vision, Mission Values and Objectives

Vision

To be a world-class enterprise in professional electronics.

Mission

To be a customer focused, globally competitive company in defence electronics and in other chosen areas of professional electronics, through quality, technology and innovation.

Values

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

Objectives

- To be a customer focused company providing state-of-the-art products & solutions at competitive prices, meeting the demands of quality, delivery & service.
- To generate internal resources for profitable growth.
- To attain technological leadership in defence electronics through in-house R&D, partnership with defence / research laboratories & academic institutions.
- To give thrust to exports.
- To create a facilitating environment for employees to realise their full potential through continuous learning & 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.



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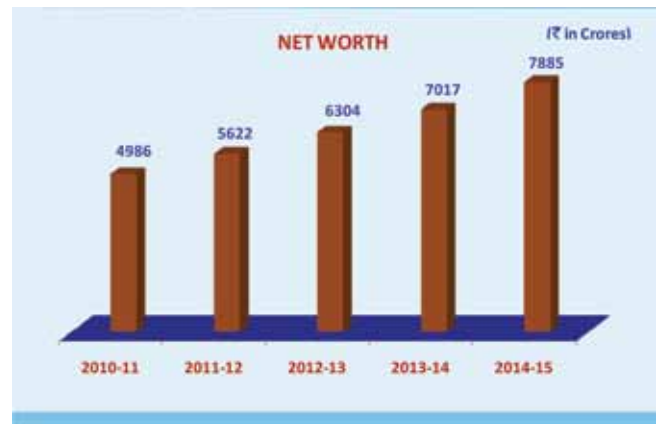
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Financial Highlights

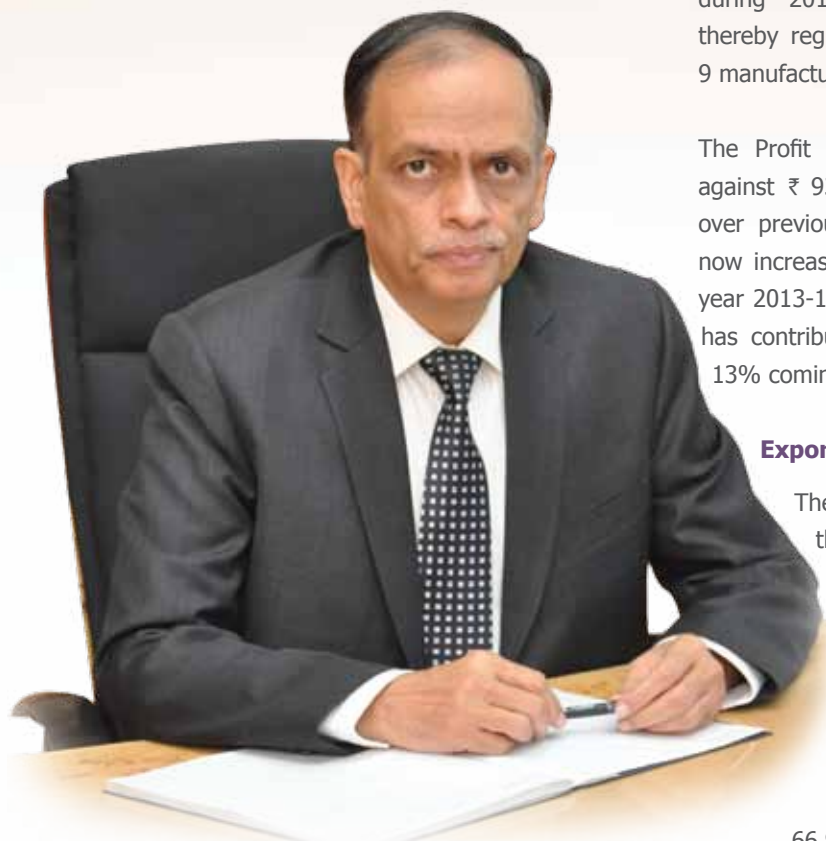
- Turnover registered a growth of 8.43% from ₹ 6,174.23 Crores in 2013-14 to ₹ 6,694.57 Crores in 2014-15.
- Value of Production has increased from ₹ 6,126.90 Crores in 2013-14 to ₹ 6,658.54 Crores in 2014-15. An increase of 8.68%.
- Profit after tax rose by 25.29% from ₹ 931.62 Crores in 2013-14 to ₹ 1,167.24 Crores in 2014-15.
- Increase of Profit after tax to Turnover Ratio from 15.09% in 2013-14 to 17.44% in 2014-15.
- Turnover per employee has increased from ₹ 0.62 Crores in 2013-14 to ₹ 0.69 Crores in 2014-15.
- Earning Per Share has increased from ₹ 116.45 in 2013-14 to ₹ 145.91 in 2014-15.
- Book Value per Share has increased from ₹ 877.15 in 2013-14 to ₹ 985.63 in 2014-15.
- Net Worth has grown from ₹ 7,017.24 Crores in 2013-14 to ₹ 7,885.03 Crores in 2014-15.



Financial Highlights



Chairman's Letter



Dear Shareholders,

It gives me immense pleasure to write to you and share through this letter the achievements and financial highlights of your company during the past year. Guided by our long-term vision to become a global leader in strategic electronics and futuristic technologies, a set of shared values, a clear strategy and ambitious targets for the period up to 2016, we were able to navigate our company through a challenging, volatile global environment. Excellence in execution and our continued cost focus helped us to meet our financial targets for fiscal 2014 and make progress toward our financial targets. Your company is able to register a significant growth in revenues and profits. At ₹ 2,161,699 lakhs the order book continues to be robust. Your company has maintained 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.

Business Results

Your company achieved a turnover of ₹ 669,456 lakhs during 2014-15 against ₹ 617,423 lakhs in 2013-14, thereby registering a significant growth of 8.43%. All the 9 manufacturing Units of the company have performed well.

The Profit After Tax for 2014-15 was ₹ 116,724 lakhs against ₹ 93,162 lakhs last year, an increase of 25.29% over previous year. The Net Worth of the company has now increased to ₹ 788,503 lakhs from ₹ 701,724 lakhs in year 2013-14. Defence being the mainstay of the company, has contributed 87% of sales revenue, with the balance 13% coming from the civilian sector.

Export Performance

The range of products exported during the year includes Hull Mounted Sonar (HMS-X), Naval Surveillance Radar (RAWL 02 Mk.IIA), Unit Level Switch Board (ULSB Mk.III), Electronic Voting Machine, Hand Held Radios, Radar Warning Receiver, CoMPASS, Radar Finger Printing System and Electro-Mechanical parts. On the export front, your Company has acquired orders worth US\$ 66.93 Million this year. The export order book as on

1 April 2015 is US \$ 200 Million including Offset orders of US \$ 44 Million.

A steep growth of 37.7% in exports

In 2014 Export Sales represents 5.37% of our total sales. An all time high Export turnover of US \$ 57.85 Million compared to US \$ 42 Million in the previous year.

Research and Development

R&D has been the main focus area of your company for increasing indigenisation and value addition in our products / systems. The total expenditure on R&D as a percentage of turn over during the year was 8.2% which is one of the highest among the defence PSUs.

It is our constant efforts on indigenous developments that have led us to achieve 80% of our turnover from indigenous products. Only 20% of our revenues came from products manufactured through ToT from foreign OEMs.

Some of the major products / systems introduced during 2014-15 are the :

- Schilka Air Defence System for Army
- Software Defined Radio for Navy, Communication Network (Link II Mod III) for Navy
- Export version of Unit Level Switch Board (ULSB) Mk.III
- Tactical Satellite Terminal for Akash Army
- Advanced Composite Communication System (Bharati) for Navy
- Ship Data Network (SDN) for P16A ship
- Simulator for Akash Weapon System for Army (Vehicle / Classroom Versions), Secured Phone (CDMA), etc.

The total expenditure on R&D is 8.2% of turnover.

Filed applications for
9
 patents

I have the privilege to inform you that during this year, your company has filed applications for 9 Patents in the areas of High Power Electric Drive, Ultra Wideband HPF, Cavity Diplexer, Linear Array Antenna, Microwave Log Periodic Antenna Ray Baggage Scanning, Search method in communicated data, Panoramic View Generation, Detection of an object in Target area, etc. As many as 52 technical papers were published by scientists and R&D engineers of BEL in various national and International journals / seminars/ conferences.

Highlights of the year

Some of the performance highlights of your company are :

- Bengaluru Unit crossed historic turnover milestone of ₹ 4000 Crs
- Successful handing over of Schilka Air Defence Weapon System to Army
- Commissioning of NC3I for Navy by Raksha Mantri
- An all time high Export turnover of US\$ 57.85 Million.
- Inauguration of Coastal Surveillance Radar Station at Seychelles by Hon'ble Prime Minister of India
- Incorporation of JV with Thales for Civilian Radars & select Defence Radars

Product Development and Innovation Centre initiated

- Inauguration of newly built Software Development Center
- Namibia conducted polls using BEL EVMs

Accolades during the year

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

- 2 India Today Group PSU Awards – for the 'Most Eco Friendly Company' and 'Best in R&D Innovation'.
- SCOPE Meritorious Award (Gold Trophy) for HR Excellence (2012-13) for Best Practices in Human Resource Management for the year 2012-13.
- Mentor Graphics Silicon India Leadership Award 2014 for the 'Best VLSI/Embedded Design in Defence / Aerospace Sector'.
- International Aerospace Award (2015) for 'Innovation', instituted by the International Aerospace Magazine to recognize excellence in innovation, indigenous technology and entrepreneurship in the Indian Aerospace & Defence industry.
- SAP award for Customer Excellence (ACE) 2014 for the innovative use of SAP in the implementation of SAP File Life Cycle Management System.

Future Outlook

Government's greater emphasis on 'Make in India' initiative in Defence sector provides a great opportunity for the Company to enhance its indigenisation efforts and to address the opportunities in Indian Defence sector.

Backed by a healthy order book and orders in pipeline, we are targeting a turnover of about ₹ 740,000 Lakhs during 2015-16. Segments like Radar and Missile systems, Communication and Network Centric Systems, Tank Electronics, Gun upgrades & EO systems and Electronic Warfare & Avionics systems will continue to drive the Company's growth in the coming 4 to 5 years. Capacity enhancements and creation of new test facilities help the Company in achieving the targeted growth. Sensing growth opportunity in the civil segment we are pursuing business in the field of Homeland Security, Smart cards and Smart City elements. Defence will continue to be our main business and provide close to 80% of our revenues with civilian business providing the balance.

The future looks promising as well as challenging. The Defence Sector is increasingly being opened up for private sector participation with evolutions of Defence Procurement Procedure. All this has pushed the company towards much higher competitiveness and productivity through initiatives for enhancing value addition. It is extremely important for BEL to stay abreast of technology and develop new products regularly. Thrust on R&D across the company will continue with roadmaps drawn for future products, acquisition of key technologies and filing of patents. The company is also laying greater emphasis on working closely with DRDO labs, other research institutions and academic institutions as well as niche technology companies for development of new products and systems. The important projects planned for execution this year are Akash Weapon System, 3D TCR, Weapon Locating Radar, Schilka Upgrade, Communication Equipment, etc.

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 per the Listing Agreement with Stock Exchanges and the guidelines issued by the Department of Public Enterprises for CPSEs, forms part of the Directors' Report.

The corporate performance of BEL measured in terms of the economic, environmental and societal parameters augurs well to reinforce the image of BEL as a socially responsible corporate entity. Sustainability in BEL is the continuing commitment to behave ethically and contribute towards economic development while improving the quality of life of its workforce, their families and the local community and society at large.

Strategic new Initiatives

Your company is working in strategic areas such as Next Generation Electronics Warfare suites, Tactical communication system, Battle field management system etc. Major new initiatives are Long Term Evaluation (LTE) based network solution, Directed Energy Weapons, Electronics system for FICV, Smart city, Training simulator etc.

Make in India Initiatives

Your company has taken initiatives in support of "Make in India" :

- Around 40% of input materials was sourced from Indian Private industries
- 80% of Sales accrued from indigenous technology during 2014-15
- Procurements from MSMEs has increased from 4.73% in 2013-14 to 8% during 2014-15
- Draft on 'Long term Vendor Development and Outsourcing policy' prepared
- "Make in India Cell" proposed to be setup to implement BEL's outsourcing policy
- BEL along with the MSME Development Institute of Bengaluru, organized a National vendor Development Programme and Industrial exhibition on December 27 and 28, 2014, at BEL-Bengaluru. The programme was aimed to help bridge the gap between the PSU and MSMEs.

Acknowledgements

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

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

Best wishes,

Bengaluru
24 July 2015

Sincerely,



S K Sharma

Chairman & Managing Director

Awards



*Standing Conference of Public Enterprises (SCOPE)
 Meritorious Award (Gold Trophy)
 for “Best Practices in
 Human Resource Management”.*

*India Today Group PSU Awards -
 for the ‘Most Eco Friendly Company’
 and ‘Best in R&D Innovation’.*



*Mentor Graphics Silicon India Leadership Award 2014
 for the ‘Best VLSI/Embedded Design in
 Defence/Aerospace Sector’.*

Highlights

*The Coastal Surveillance Radar Station installed by BEL at Victoria, Seychelles, was inaugurated by the **Hon'ble Prime Minister, Shri Narendra Modi**, on March 11, 2015.*



BEL & THALES have formed a Joint Venture in India focusing on the design, development, marketing, supply and support of civilian and select defence radars for India and the global markets.

BEL handed over the first Upgraded Schilka Weapon System to the Indian Army on November 25, 2014. Schilka Upgrade is an all-weather, self-propelled, tracked, low-level Air Defence Weapon System.



Highlights

BEL has handed over its 3D Tactical Control Radar (TCR), a state-of-the-art medium-range air surveillance and tracking radar, to the Indian Army.



The Electoral Commission of Namibia conducted the Presidential and National elections in Namibia in November 2014 using Electronic Voting Machines made by BEL. Namibia became the first African nation to embrace electronic voting.

BEL completed the firing trials of Akash Air Defence System successfully at the Integrated Test Range, Balasore, Odisha, from November 17 to 22, 2014.



CSR Highlights

BEL's Corporate Social Responsibility (CSR) Policy includes Health Care, Education, Rural Development, Environment Protection and Conservation of Resources.



The Burns Ward constructed by BEL at the Govt District Hospital, Udupi, comprising a male and female ward with two inpatient departments and two critical wards and a total of 12 beds.



Government Pre-University College for Girls constructed by BEL at Malur, Karnataka.

Board of Directors



Mr Sunil Kumar Sharma
 Chairman & Managing Director



Mr M L Shanmukh
 Director (Human Resources)



Mr Amol Newaskar
 Director (Other Units)



Dr Ajit T Kalghatgi
 Director (R&D)



Mr P C Jain
 Director (Marketing)



Mr P R Acharya
 Director (Finance)



Mr Manmohan Handa
 Director (Bangalore Complex)



Lt Gen C A Krishnan
 UYSM, AVSM, Deputy Chief of
 Army Staff (P&S), Army Headquarters
 Government Director



Mr J Rama Krishna Rao
 Joint Secretary (ES), Ministry of
 Defence, Department of Defence
 Production, Government Director



Mr S M Acharya
 IAS (Retd)
 ex-Secretary to Government of India
 Independent Director



Lt Gen (Retd) V K Mehta
 ex-Director General Quality
 Assurance, Ministry of Defence
 Independent Director



Mr Vikram Srivastava
 IPS (Retd)
 ex-DG CRPF & ITBP
 Independent Director

Principal Executives

CORPORATE OFFICE

Chief Vigilance Officer

Mr S Shiva Kumar, IAS

Executive Directors / General Managers

Mr G Raghavendra Rao
 Mr Koshy Alexander
 Mr D C Das

Mr C P Suresh
 Mrs Hema G Acharya
 Mrs Anandi Ramalingam

Mr Vinay Kumar Katyal
 Mrs Shikha Gupta
 Mr V Kiran

Company Secretary

Mr S Sreenivas

UNITS

Executive Directors / General Managers

Bengaluru

Mr Philip Jacob
 Mr N Suresh
 Mr Sanmoy Kumar Acharya
 Mr M V Gowtama
 Mr S S Gokhale
 Mr Suresh Katyal
 Cdr (Retd) T Jagannath
 Mr Nataraj Krishnappa
 Mr V D Bevinamarad
 Mrs Rani Vergis
 Mr G Arunachalam
 Mr G A Rasheed
 Cdr (Retd) S Gopakumar
 Mr B S Ravi

Chennai

Mr Charan Singh

Ghaziabad

Mr Girish Kumar
 Mr R K Handa
 Mr M M Joshi
 Mr A K Sharma

Hyderabad

Mr R N Bagdalkar

Kotdwara

Mr D K Mehrotra

Machilipatnam

Mr T N Ramesh

Panchkula

Mr K Baljit Chander

Pune

Mr A R Vaidya

Navi Mumbai

Mr Manmohan Pandey

CRL, Bengaluru

Mr V Mahesh
 Chief Scientist

CRL, Ghaziabad

Mr Ranjan Banerjee
 Chief Scientist

AUDITORS

Statutory Auditors

M/s Badari, Madhusudhan &
 Srinivasan, Bengaluru

Branch Auditors

M/s Ved & Co. Ghaziabad
 M/s Malani Somani Chandak &
 Associates, Pune
 M/s Rao & Narayan Vijayawada

Cost Auditors

M/s P S V & Associates
 Bengaluru

The Past Decade

(₹ in lakhs)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Sales & Services	353,628	395,269	410,254	462,369	521,977	552,969	570,363	601,190	617,423	669,457
Value of Production	345,003	401,275	411,137	527,327	524,788	552,080	579,358	628,991	612,690	665,854
Other Income	11,858	19,781	27,824	22,997	37,641	38,933	70,312	60,993	42,847	47,795
Materials	185,063	213,522	206,889	304,106	302,454	312,931	366,903	408,463	358,356	374,453
Employee Benefits Expense	43,693	51,968	65,917	75,579	100,958	104,186	108,123	111,079	103,043	126,345
Depreciation / Amortization	7,944	8,459	9,264	10,560	11,594	12,204	12,080	13,071	14,210	15,396
Interest / Finance Cost	2,564	80	25	1,077	53	73	60	78	340	138
Other Expenses (including Excise Duty & Exceptional items)	32,071	41,780	39,736	49,319	42,867	45,504	55,019	57,174	77,439	67,360
Profit Before Tax	85,526	105,247	117,130	109,684	104,502	116,115	107,485	111,459	117,474	146,669
Provision For Tax	27,225	33,431	34,456	35,108	32,415	29,968	24,495	22,476	24,312	29,945
Profit After Tax	58,301	71,816	82,674	74,576	72,087	86,147	82,990	88,983	93,162	116,724
Dividend (Amount)	11,680	14,400	16,560	14,960	15,360	17,280	16,640	17,840	18,640	23,360
Dividend (%)	146	180	207	187	192	216	208	223	233	292
Equity Capital	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Reserves & Surplus	194,931	249,231	313,295	370,368	424,526	490,571	554,221	622,369	693,724	780,503
Loan Funds	881	171	138	121	73	41	10	1	0	0
Gross Block	124,031	132,480	143,076	157,990	170,217	178,900	190,158	207,323	222,667	248,515
Cumulative Depreciation / Amortization	86,993	93,913	101,727	111,245	121,221	130,529	139,142	149,778	157,572	171,405
Inventory	103,714	124,635	135,157	242,096	244,871	246,032	279,182	327,108	337,014	342,688
Debtors / Trade Receivables	101,769	169,341	205,571	227,653	216,836	289,681	268,686	333,467	412,854	378,614
Working Capital	151,777	200,996	263,090	313,556	365,629	NA	NA	NA	NA	NA
Working Capital (As per Revised Sch. VI/ Sch. III)	NA	NA	NA	NA	NA	430,800	478,994	544,494	607,714	690,982
Capital Employed	188,817	239,563	304,438	360,301	414,625	NA	NA	NA	NA	NA
Capital Employed (As per Revised Sch. VI/ Sch. III)	NA	NA	NA	NA	NA	479,171	530,010	602,039	672,809	768,092
Net Worth	202,705	257,135	321,295	378,368	432,526	498,571	562,221	630,369	701,724	788,503
Earning Per Share (in Rupees)	73	90	103	93	90	108	104	111	116	146
Book Value Per Share (in Rupees)	253	321	402	473	541	623	703	788	877	986
No. of Employees	12,262	12,357	12,371	11,961	11,545	11,180	10,791	10,305	9,952	9,703

Boards' Report

To the Members,

I have great pleasure in presenting to you, on behalf of the Board of Directors, the 61st Annual Report of Bharat Electronics Limited and the Audited Accounts for the financial year ended 31 March 2015 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

Financial Results and Performance Highlights

A summary of the Company's financial results is given below :

(₹ in Lakhs)		
Particulars	2014-15	2013-14
Value of Production	665,854.35	612,689.97
Turnover (Gross)	669,456.53	617,423.25
Profit Before Depreciation, Finance Cost and Tax	162,203.54	132,024.01
Finance Cost	138.38	339.61
Depreciation & Amortisation	15,396.49	14,210.45
Profit before tax	146,668.67	117,473.95
Provision for Tax	29,944.58	24,311.77
Profit After Tax	116,724.09	93,162.18
Add : Balance brought forward from previous year	296,682.52	265,778.32
Balance available for Appropriation	413,406.61	358,940.50
Interim Dividend paid	4,800.00	4,800.00
Proposed Final Dividend	18,560.00	13,840.00
Tax on Dividend	4,738.10	3,167.87
Transfer to General Reserve	40,000.00	40,000.00
Transfer to Capital Reserve	-	450.11
Other appropriation(s)	1,846.87	-
Reserves & Surplus	780,502.89	693,723.77
Net Worth	788,502.89	701,723.77
Earnings Per Share (in ₹)	145.91	116.45
Book Value Per Share (in ₹)	985.63	877.15

Distribution of Value of Production for 2014-15 is given below :

Particulars	Amount (₹ in Lakhs)	Percentage
Materials	374,453.15	56.24
Employee Cost	126,345.08	18.97
Other Expenses (Net)	2,990.96	0.45
Depreciation & Amortisation	15,396.49	2.31
Provision for Tax	29,944.58	4.50
Profit After Tax	116,724.09	17.53
Total	665,854.35	100.00

Company's turnover for the year 2014-15 has increased to ₹ 669,456.53 Lakhs from ₹ 617,423.25 Lakhs in 2013-14, registering a growth of 8.43%. Profit after Tax for the year is ₹ 116,724.09 Lakhs as against ₹ 93,162.18 Lakhs in the previous year. Turnover from indigenously developed products is 80%. Supplies to the defence contributed to 87% of turnover as against 83% in 2013-14.

Dividend

The Board has recommended a Final Dividend of 232% (₹ 23.20 per share), ₹ 18,560 Lakhs for the year 2014-15. An interim dividend of 60% (₹ 6 per share), ₹ 4,800 Lakhs has already been paid for the year 2014-15. Thus, the total dividend for the year 2014-15 is 292% (₹ 29.20 per share), ₹ 23,360 Lakhs (excluding corporate dividend tax) as against 233% (₹ 23.30 per share), ₹ 18,640 Lakhs paid in the previous year.

Provision of ₹ 3,778.38 Lakhs has been made for corporate dividend tax on the final dividend proposed. Corporate dividend tax of ₹ 959.72 Lakhs has already been paid on the interim dividend paid for the year 2014-15.

Amount Transferred to Reserves

An amount of ₹ 40,000 Lakhs is transferred to General Reserves for the financial year 2014-15.

Major Orders Executed

Major projects executed during the year for tri services & non-defence customers include : Akash Missile Systems (Army, Airforce), Schilka Gun Tank Upgrade to Army, Passive Night Vision Devices (PNVD) to Army, 3 Dimensional Tactical Control Radar to Army, Communication sets, Combat Management System to Navy, Stabilized Optronic Pedestal to OFB, Mobile Communication Terminal to NTRO, Missile Warning System to Army, Laser Range Finder to Army, New generation Sonars to Navy & exports, Shipborne EW systems - Sanket variants to Navy / Shipyards, Advanced Composite Communication Systems to Navy, Radar for Air Warning in L-band, Fire Control Systems to Navy, Central Acquisition Radar to Airforce, Low Level Light Weight Radar (Bharani / Aslesha) to Army / Airforce, Electronic Voting machines (EVMs) to ECI, Simulators to Army, RAWL 02 MK II, Lynx U1 MOD, HUMSA X etc.

Some of the significant achievements during the year :

- Successful test firing of Akash Missile System, an Air-Defence Weapon System to defend Vulnerable Area / Vulnerable Point against medium range targets penetrating from low, medium and high altitudes.
- Handing over of Schilka Air Defence Weapon System with an upgraded Display system, engine automotive & air conditioning, NBC protection, Integrated Fire Suppression System & totally electronically modernised drives, etc.
- Commissioning of NC³I an independent network which would interlink the Coastal Stations of Indian Navy & Coast Guard with the Joint Maritime Operation Centres and the Headquarters.
- Inauguration of Chain of Static Sensors (CSS) at Seychelles by Hon'ble Prime Minister of India.
- Installation of 1st L Band Radar and new generation sonar for Myanmar Navy completed.
- Incorporation of JV with Thales for Civilian Radars & select Defence Radars.
- Inauguration of newly built Software Development Center by Hon'ble Vice President of India.
- Akash Simulator successfully developed & supplied.

Exports

Your Company has been giving an increased thrust towards harnessing the export potential of defence electronics products and systems, which represent its core area of business. BEL has been exporting various products and systems to potential friendly countries of India. Apart from this, BEL is interacting with electoral commissions of various democratic countries to market Electronic Voting Machines.

BEL achieved an all time high export sales of US\$ 57.85 Million registering a growth of 37.7% over the previous year's export turnover of US\$ 42.0 million. BEL has an export order book of US\$ 200 million as on 1 April 2015 which includes offset order book of US\$ 45 million. The targeted export sales for the year 2015-16 is US\$ 65 million. The long term export plan of BEL is to reach sustained export sales to total sales turnover ratio of 10% from the current level of 5.3%.

BEL for the first time exported indigenously developed Unit Level Switch Board ULSB MK-III. Customised EVMs supplied

by BEL were successfully used in presidential and national Assembly elections in Namibia. Indigenously developed Directing Gear and Dome, which are part of Sonar system were exported and were successfully installed. Other major range of products exported during the year includes Ship Sonar, Surveillance Radar, Radar Warning Systems, Radar Finger Printing Systems, Communication equipment, Casings, Stators, Electro Mechanical parts etc.

BEL is also anticipating sizable export orders on account of the "Offset" policy in Defence Procurements. In this regard BEL is interacting with all the major foreign companies for possible offset business arising out of various RFPs issued by MoD India. BEL has already signed MoUs with these companies.

BEL participated in four International Exhibitions in the year 2014-15 to showcase its products & capabilities. Having established a coastal surveillance radar system for a couple of countries, BEL is interacting with Ministry of External affairs on a regular basis for supply of these systems to other friendly countries of India. BEL has been receiving awards for Excellence in Exports under the category "Electronics & Communication (excluding IT / BT) - Medium and Large" from the Government of Karnataka during the last 5 consecutive years.

MoU with Government

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Government of India, Ministry of Defence. Performance of BEL for the year 2013-14 has been rated as "Excellent" in terms of the MoU with the Government. The MoU rating for 2014-15 is under review by the Government.

Order Book Position

The order book of Company as on 01 April 2015 is around ₹ 2,161,699 Lakhs. The order book comprises mainly major programs like Weapon Systems for Air Force & Army, Battlefield Surveillance System, Command Information Decision Support System, Fire Control System, Gun / Tank Upgrades Communication Sets, New Generation Radars, Electronic Warfare Systems, etc.

Finance

During the Financial Year 2014-15, your Company has been able to meet the incremental working capital requirements

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and additional investments on Capital equipments out of internal resources. Borrowing has been avoided scrupulously through close monitoring of cash flows. The effective and efficient cash management and healthy cash balances has helped your Company to retain the highest rating by ICRA for both short term and long term sanctioned bank limits. This rating will help in retaining the best rates for the various services availed from the Consortium Banks.

The Inventory position (net) of the Company as on 31 March 2015 was ₹ 342,687.83 Lakhs as against ₹ 337,014.08 Lakhs as on 31 March 2014, this works out to 188 days of the value of production (DPE) as on 31 March 2015 as against to 202 days as on 31 March 2014.

The position of Trade Receivables (net) as on 31 March 2015 was ₹ 378,614.33 Lakhs as against ₹ 412,853.69 Lakhs as on 31 March 2014, this works out to 206 days of turnover for the year 2014-15 with the corresponding position at 244 days as at the end of the previous year. This has been possible due to meticulous follow up of collection and receivables throughout the year.

Deposits

The Company does not have any Public Deposit Scheme at present. However, the matured past Public Deposit amount with the Company was ₹ 36.95 Lakhs as on 31 March 2015. Out of these 34 deposits amounting to ₹ 36.50 Lakhs are not claimed or not paid as these accounts are frozen on advice by Karnataka Lokayukta, remaining mature deposits of ₹ 0.45 lakh as on 31 March 2015 is unpaid due to in-sufficient documents / records produced by Depositors. The entire amount of Public Deposit outstanding as on 31 March 2015 is included in the Current Liability Note of the Balance Sheet.

Research & Development

Research and Development has been the core strength of BEL and continued to receive focused attention during the year for planning and reviewing of development of Technology modules and products. Apart from in-house efforts, BEL R&D engineers had close co-operation with DRDO, other National Research and Development agencies and academic institutes. The R&D activities have been carried out in all the business segments namely Radars, Military Communication, Naval Systems, Missile Systems, Electronic Warfare, Avionics, C'I

systems, Electro-optics, Tank Electronics, Gun up-grades, Civilian Equipments & Systems and Components during the year 2014-15.

Development & Engineering (D&E) Divisions attached to all the Strategic Business Units (SBUs) of Bengaluru and Other Units, located outside Bengaluru concentrated on the development of Products and Systems in their respective areas of business segments. Central-D&E and two Central Research Laboratories (CRLs) of the company supported the D&E Divisions of all the units by way of developing core technology modules and software required for the development of Products and Systems.

The analysis of turnover of the company for the year 2014-15 indicates that 38% of the turnover is from BEL developed products, 42% of the turnover is from products, developed in association with DRDO and other National Labs and remaining 20% is from products for which technologies were acquired through foreign ToTs.

Development of New Products

During 2014-15, the R&D Divisions of BEL have completed development of several new products / systems / technology modules. Some of such new products / systems introduced during the year include the following :

- **Surface Surveillance Radar**

Surface Surveillance Radar is a Surveillance Radar for detection and tracking of sea surface targets. This radar provides target Designation data to Surface to Surface Missile (SSM) System.

- **Lynx U1-MOD**

It is a Naval Fire Control System designed to acquire, track and engage low flying high speed targets. It is capable of tracking accurately air / surface targets. The system has been configured to meet requirement of P16A, P1241 RE and P25 class of ships. It controls SRGM & AK630 gun mounts.

- **Export Version of ULSB MKIII**

Unit Level Switch Board MKIII is an Automatic Telephone Exchange designed to meet the communication

requirements of Army at unit level. It employs TDM Switching concept and it is of non-blocking type.

- **SMARTPLUS**

SMARTPLUS is a secure data communication terminal used for data over voice links of HF, VHF, UHF / analogue telephone lines.

- **ACCS for Submarine**

Advanced Composite Communication System (ACCS) is fourth generation voice and data integrated system for fulfilling external communication needs of Modern submarine in VLF / HF / V / UHF frequency bands.

- **Test bed for ADC & RS**

Test Bed for Air Defence Control and Reporting System integrates various components viz sensors, Fire control Radars and Tactical control Radars to detect and provide all aerial activity as Air Situation Pictures (ASP) to Control Centre.

- **Ground Control Station**

Ground Control Station is a Shelter based System that facilitate the control and monitoring of the UAV and the exploitation of the information provided by the RUSTOM UAV.

- **X band TR module**

A Transceive module in this band is designed for use in high power Active Electronically steered array Radars.

- **Simulator for Akash Missile System**

This simulator is developed for training Army personnel on the usage of operational sequence of Akash Weapon System. Two Versions viz., 1) Vehicle Version and 2) Class Room Version have been developed.

- **Secure Phone**

Secure Phone without camera is designed as per Army requirement for making secure calls and SMS.

- **Hand held Digital Compass**

Compass provides stable heading information for infantry soldier. It gives the user an accurate bearing information of the targets, storing and recalling of target angles.

- **Commander TI Sights for AFV**

Commander TI Sights for AFV for T72 & T90. It is also provided with LRF for accurate ballistic estimation.

- **EO system for Integrated Coastal Surveillance System**

EO System is developed with indigenous TI and CCD mounted on Pan and Tilt for effective surveillance in azimuth and elevation for Coastal Surveillance System.

- **Under Vehicle Scanning System**

Under Vehicle Scanning System scans / inspects and digitally records the underside image of any four wheelers in real time.

Scientists from Central Research Laboratories and other R&D divisions of BEL have contributed 52 Technical Papers in the National and International journals during the year. 64 papers have been published in in-house journals.

Following awards have been received by R&D teams during the year :

- SODET GOLD Award for R&D in Innovation category for the project 'Radar VEXT (Video Extractor and Tracker) for the year 2013-14.
- Young Scientist Award for one CRL Scientist from IETE for the year 2014.
- Two Young Engineers Awards for two engineers from Institute of Engineers, India (IEI) for the year 2014.
- Best contributor Awards in EW from Indian public sector units for Two Senior executives have been awarded by AoC India Chapter.
- Award for Indigenisation of Aeronautical Equipment from Aeronautical society of India for EW&A SBU for the year 2014-15.
- Two projects, EVM and Table PC were shortlisted for Common wealth Association of Public Administration and Management (CAPAM) international awards.

New facilities established during the year

Company has been continuously modernizing its infrastructure to be in tune with the changing needs of the

technology / products. Specific groups in all the units scan the technology changes that are taking place and identify new processes in the world market for acquisition. This enables the company to maintain its infrastructure on par with international standards. During the year 2014-15, company has spent ₹ 282.26 Crores as part of CAPEX investment towards Modernisation of Plant & Machinery, Test Instruments, R&D investments, infrastructure up-gradation etc. The expenditure is fully met through internal accruals. Following are some of the major facilities established during the year.

- State-of-the-art production Infrastructure for Airborne Applications at Bengaluru Unit. The facility has SMT line designed to suit the Airborne applications which is established by replacing the Manual / Semi-Automatic SMT facility with Automatic SMT facility.
- Optical Transmission Measurement System at Machilipatnam Unit used in production of Electro Optic systems such as Passive Night Vision Devices (PNVD), Hand Held Thermal Imagers (HHTI) etc. Transmittance Measurement is one of the prime requirement to test the transmission parameters of Optical elements & Optical assemblies.
- EMI receiver for EMI / EMC Applications at Bengaluru Unit for testing of Electronic Equipments as per MIL-STD-461 C, D, E & F.
- Implemented Cyber Security components viz., IPS (Intrusion Prevention Systems) and SIEM (Security Incident Event Management) tool etc., at Intranet Gateways of all Units of the Company to improve the Wide Area Network (WAN) gateway security.
- Civil Works for Transducer Manufacturing Facility at Bengaluru Unit, an Integrated facility for Transducer Production and Calibration to Enhance the Production of various types of Ship and Submarine transducer items.
- EMI / EMC Chamber for Electronic Warfare applications at Hyderabad Unit to Test / Evaluate various types of subsystems / LRUs / Equipment of Electronic Warfare (EW) applications.
- Communication Chip evaluation facility at Kotdwara unit used for achieving telephony functionality like transcoding, packetisation / depacketisation, echo cancellation, noise suppression etc.

- Compact Environmental Stress Screening Test Station installed at Chennai Unit to carry out vibration and thermal cycling tests for CoMPASS project.
- New Transit Accommodation consisting of 12 Rooms (Eight rooms in Ground floor & Four rooms in first floor), Dining Hall & Recreation Hall facility established at Chennai Unit.

Quality

The Company's Vision of becoming a "World-class Company in Professional Electronics" is being achieved by giving thrust on three attributes - Quality, Technology and Innovation. Corporate Quality takes initiatives which encompass control and monitoring of all critical operational and business performance parameters like On Time Delivery, Process Cycle Time, Manufacturing Yield, Statistical Process Control, Complaint Resolution, Reliability -resulting in enhancement of product quality and in exceeding customer needs and expectations. These factors are monitored through well established 'SAP' enterprise resource planning system across all Strategic Business Units, regional, marketing and purchase offices of the company in India and abroad. The dedicated CRM (Customer Relation Module) and SRM (Supplier Relation Module) in SAP are able to enhance customer services and improvement in procurement efficiency of the company respectively.

The Company is committed to establish internationally recognised systems through process approach. All Units / Strategic Business Units / Common Services Groups are accredited to ISO 9001 to its latest versions of Quality Management System (QMS) since early nineties. Seven Units / SBUs - Ghaziabad, Panchkula, Kotdwara, Hyderabad, Military Communication, Electronics Warfare & Avionics, Export Manufacturing, have upgraded their QMS to Aerospace standard, AS 9100. Calibration and maintenance departments of Bengaluru Complex, Ghaziabad and Panchkula Units are accredited by NABL to ISO 17025 standards. The Pune unit manufacturing X-ray tubes is certified for ISO 13485 standard for medical devices. The Central Software Department Group at Bengaluru is CMMi level 5 certified.

All Units of Company are committed to Environment Management System through ISO 14001 Certification.

The Ghaziabad Unit and Engineering Services of Bengaluru Unit are accredited to Occupational Health Safety and Assessment Series, OHSAS 18001.

The EFQM (European Foundation of Quality Management) model for Business Excellence is being followed since year 2002 in BEL as another process approach for overall strategic and operational excellence leading to enhancement in competitiveness in meeting and exceeding needs & expectations of stakeholders. Its deployment status is assessed through participation in 'CII-EXIM Bank Award for Business Excellence'. Every year BEL Units are participating for this award in phased manner. In year 2014, Ghaziabad Unit participated for this award and were conferred for 'Commendation for Significant Achievement' (Level-II). In year 2015, Ghaziabad unit again participated for CII-EXIM Bank Award for Business Excellence and were conferred with next higher level i.e. "Significant Achievement". At present all Units / SBU are at 'Commendation for strong commitment to Excel' (Level-I) except Bengaluru Unit and Ghaziabad, which is at next higher level of Award i.e. 'Commendation for Significant Achievement' (Level-II).

The continual improvements in product and processes are brought out through various approaches. Middle and senior level executives select Six Sigma projects from different areas of concern related to product and processes and bring about breakthrough improvements. In order to effectively implement six-sigma methodology and to bring culture of improvement through analytical approach, 10 Black Belts were trained and certified by ISI, Bengaluru during the year. A total of 311 Six Sigma projects have been completed. 17 six sigma projects were nominated for national level competitions. One of the case studies represented the organisation at the international competition, ICQCC 2014, held at Sri Lanka. All Six sigma case studies were adjudged either in Excellence or in Par Excellence in their respective categories.

Through another approach employees (all non-executives and executives up to the level of managers) bring about improvement through Suggestion Scheme. A total of 1,571 suggestions have been implemented by respective individuals under the suggestion scheme and have been suitably recognised for their contribution.

The organisation creates impetus towards involvement of non-executives in the quality movement through Quality Control Circles. In year 2014-15, 745 presentations for improvement in product and processes were made by various Quality Control Circles. Twenty Five QC circles were nominated to participate in national competition / conventions and all were adjudged for higher category awards. One circle represented the organisation in international convention, ICQCC 2014, held at Sri Lanka and bagged excellence award in its category.

BEL has nominated its D&E engineers for Certified Reliability Engineer (CRE) program conducted by American Society for Quality (ASQ). The CRE certification is a training program followed by stringent exam to ensure proper grasping of the subject. 41 D&E engineers were professionally certified for CRE in year 2014-15.

The operating level Quality engineers in respective SBUs / Units were certified for "Certified Quality Engineers" (CQE) programs by the American Society for Quality (ASQ). 29 CQE have been certified. Awareness program on Reliability and Maintainability by developing in-house faculty was also conducted. 107 D&E engineers were covered under this program. Revision of existing BEL Quality Manual to latest quality standard including Business Excellence and also covering topics like Evaluation of Vendors, Corporate Quality Audit of all Units / SBUs, and determination of Quality Index were also taken up during the year 2014-15.

A Customer Satisfaction Survey was organised by BEL through external agency, Indian Market Research Bureau (IMRB), to capture the customers' perception on quality of BEL product. Sixteen products from various Units / SBUs were offered for survey.

Human Resources

Your Company employed 9,703 persons as on 31 March 2015 as against 9,952 persons as on 31 March 2014. Of these employees, 4,045 were engineers / scientists and 1,997 were women employees on 31 March 2015. A total of 212 engineers, scientists and other professionals were inducted during the year. 55 employees belonging to SC, 15 employees belonging to ST, 114 employees belonging to OBC

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and 12 employees belonging to the minority community were recruited during the year.

The Company has been implementing the Government Directives on Reservation. The particulars of SC / ST and other categories of employees as on 31 March 2015 are as under :

Category of Employees	Executives		Non-Executives	
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
Scheduled Caste	917	28	777	54
Scheduled Tribe	300	1	141	22
OBC	1007	35	827	50
Ex-Servicemen	101	2	274	81
Physically Challenged	87	4	129	14

Various Training programs were conducted during the year to enhance competencies in Technical, Functional, Managerial and leadership areas. Structured Executive Development Programs were conducted regularly with premier Institutes to meet the evolving training needs of executives as they progress through various grades.

Apart from this, 360-degree feedback and leadership Development programs were conducted to equip our senior managers with Leadership competencies. Four batches of senior executives underwent the program during the year. "Strategy Building and Competitive Intelligence" program was organised through the faculty of premier Management Institute and forty four senior executives attended the program.

The training programs are designed to enhance competencies in various areas like Technical, Functional and Managerial / Leadership.

A detailed write up on Company's HR philosophy and specific HR initiatives during the year is provided separately in the Management Discussion and Analysis Report.

Awards and Recognitions

Your Company continues to be a highly trusted for the quality and innovation of its products based on strong consumer insights and the ability to engage with consumers across the country. During the year your Company and its employees have received various Awards and Recognitions. Some of the important accolades received during the year by your Company and its employees include :

- SCOPE Meritorious Award for the year 2012-13 for Best Practices in Human Resources Management from Hon'ble President of India.
- Prime Minister Shram Shree Award for BEL employee for the year 2013.
- India Today Group PSU Awards contest for the 'Most Eco-Friendly Company' and 'Best in R&D Innovation'.
- Mentor Graphics Silicon India Leadership Award 2014 for Best VLSI / Embedded Design in Defence / Aerospace Sector.
- BEL Ghaziabad Unit was accredited with the 2nd Level of recognition in CII-EXIM Award for Business Excellence - "Commendation for Significant Achievement".
- SODET Gold Award for the year 2013-14 in 'Technology Innovation' category for the project 'VEXT for Coastal Surveillance Application'.
- 'IETE - IRSI Young Scientist' Award for two BEL Engineers for the year 2014 and 'IEI Young Engineers' Award for the year 2014-15 in Electronics and Telecommunication Engineering.

Environment Management

Bharat Electronics Ltd has long been integrating sustainability in its operations systematically with best practices. On the lookout for sustainable development, sets in clean and green surroundings. All the Units of BEL have committed for maintaining an environmental friendly work processes and strongly believes that environmental sustainability results in designing economically viable and reliable products. BEL sets objectives in compliance to DPE guidelines, further approaches towards adopting breakthrough technology for enhancing environmental performances of the products right from design to disposal. Looks beyond its boundary for compliance to environmental impacts. In all the Units of BEL, practicing of conservation of natural resources like energy conservation, water conservation and reduction in waste generation is inculcated as a routine approach. BEL looks beyond obvious opportunities available for improvising the performance against environmental commitments.

The Sustainability Report annexed to this report contains further details on environment management and sustainable development initiatives.

Subsidiaries and Joint Ventures

Your Company's subsidiary at Pune, BEL Optronics Devices Ltd. (BELOP) manufactures Image Intensifier Tubes (I.I. Tubes). These Tubes are supplied to the Defence customers and also used in the Night Vision Devices manufactured by BEL. BELOP achieved a turnover of ₹ 10,264.93 Lakhs as against ₹ 17,147.34 Lakhs in the previous year. The Profit After Tax for the year was ₹ 366.69 Lakhs as against ₹ 496.19 Lakhs in the previous year.

The Joint Venture Company (JVC) with General Electric, USA, viz., GE BE Pvt Ltd., continues to perform well. This JVC manufactures CT Max and other latest version X-Ray Tubes. BEL supplies some parts required for the products manufactured by this JVC. GE BE Pvt Ltd recorded a turnover of ₹ 72,564 Lakhs as against ₹ 60,685 Lakhs in the previous year. The Profit After Tax was ₹ 11,752 Lakhs as against ₹ 6,268 Lakhs in the previous year. The JVC declared 150% dividend for the year 2014-15 and BEL received ₹ 390 Lakhs as dividend from this JVC on BEL's share of investment for the financial year 2014-15.

The other JVC, viz., BEL Multitone Pvt Ltd., jointly promoted by BEL and Multitone Electronics plc, UK was set up to supply, install and service Private Paging Systems and Pagers. As this JVC was not performing well, it was decided to wind up this company. The JVC Board and the shareholders passed the voluntary winding up resolutions and appointed a Liquidator. As on 31 March 2015, all the assets of the Company have been disposed of and all dues settled. Approval for closure of winding up procedure has been accorded by its Members at General Meeting held on 31 March 2015. The liquidator has sent the report to Registrar of Companies & Official Liquidator for issuance of winding up order.

BEL formed a Joint Venture Company (JVC) with Thales Air Systems SAS, France and Thales India Pvt Ltd (TIPL) for design, development, marketing, supply and support of civilian and select defence radars for Indian and global markets. The JVC has been incorporated on 28 August 2014 with the name BEL-THALES Systems Limited (BTSL), with an authorised capital of ₹ 8,000 Lakhs and with a subscribed capital of ₹ 960 Lakhs. The Company has been operating from Bengaluru and has its registered office at CNP Area, BEL Industrial Estate, Jalahalli, Bengaluru – 560013 (premises on lease from BEL). Since BEL is holding 74% of the equity

capital in the JVC, it becomes a subsidiary company of BEL and is a Government Company as defined in the Companies Act, 2013. During the first year of its operation, it incurred a loss of ₹ 162.45 Lakhs.

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

Consolidated Financial Statements

Consolidated Financial Statements of your Company and its Subsidiary and Joint Venture Companies are attached to this Report.

Vigilance

Your Company's vigilance Organisation is headed by an Independent Chief Vigilance Officer (CVO). During the year, separate preventive, inspection and technical wing were established in Corporate Vigilance with posting of Vigilance Officers, who assists the CVO in Preventive Vigilance and the technical aspects in the investigation process. Permanent Vigilance Officers are posted in each of the Units and in the SBUs. Vigilance Committees are formed in the each of the Units and SBUs and the Unit / SBU heads are also designated as Chairman of the vigilance Committee. Apart from this, there exists 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 Organisation and the same received focused attention during the year.

The Vigilance Department examines procurements, contracts and processes on continual basis, conducts regular and surprise inspections and investigates instances of any suspected transactions referred to it. Any employee or third parties can refer any suspected transaction to the notice of CVO for investigation. Online complaint management system has been made operational. Online complaints can be filed by logging on to BEL web site.

Important activities of Vigilance Department during the year includes : 1,700 Purchase Orders / Contracts and 648 high value Orders / Contracts have been reviewed. CTE

Type intensive examination has been restructured with the formation of 5 IE teams. 47 High value procurement and works contracts has been taken up for Intensive examination. Regular and surprise checks / inspection has also been conducted by the field Vigilance Officers. During the year, 40 Complaints, including the complaints referred by CVC / MOD / CBI were disposed. Disciplinary action and System/process Improvement has been recommended in some cases where lapses were observed. One case is pending with CBI for investigation. 22 Executives have been trained on the Principles of Natural Justice & Domestic Enquiry Training Programme (for Dy. Mgrs. & above). 291 Executives and 329 Non-Executives have taken part in Vigilance Awareness Training Programme. 74 Executives & 54 Non Executives working in sensitive areas for more than 3 years have been job rotated and the percentage coverage is 95.5%.

In terms of CVC's guidelines on Leveraging Technology to ensure transparency through effective use of website, the following information has been made available on BEL website :

- E-Procurement percentage improved to 95%.
- Online registration of Sub-contractors / Vendors.
- Details of awarded contracts / Purchase Orders valuing more than ₹ 10 Lakhs in respect of works contracts, service contracts, capital items and non-production items.
- Details of awarded Contracts / Purchase Orders issued on nomination / single tender basis value exceeding ₹ 5 Lakhs.
- Vendor Payments Information System.
- Purchase Procedures, Sub Contract Procedures and Works Manual.
- Complaint Handling Policy and Whistle Blower Policy.
- Corruption Risk Management Policy.
- Vendors' Directory, after removing defunct vendors.
- File Life cycle Management System has been implemented across the company and about 8,000 files has been created in the System as on 31 March 2015.
- On-line filing APRs has been developed and demonstrated to the users and planned to be implemented from 01 April 2015.

Vigilance setup is continuously endeavouring to bring transparency, fairness and equity in all transactions and

processes of the company. Some of the key activities that has been carried out during the year are :

- 1) Vigilance Awareness Week was marked with special address by former Justice N. Santhosh Hegde on 30 October 2014.
- 2) Vigilance awareness week were observed during November 2014, with Cycle rally by BEL School Students, Tree plantations, Friendly Cricket Match between the Senior Executives of BEL and series of lecture programs.
- 3) Training programs were organised for Vigilance Officers through Guest lectures by faculties from CBI, Academy. Director (Vigilance) / MoD / DDP and CVO and Senior executives from other PSUs and organisations.
- 4) Bharat Electronics Limited, Bengaluru in association with MSME Development Institute, Bengaluru organised National Vendor Development Programme - 2014 (MSME Sector) and Industrial Exhibition on 27 & 28, December 2014 at BEL Kalakshetra, Bengaluru. Shri B. H. Anil Kumar, IAS, Joint Secretary, Ministry of MSME, New Delhi was the Chief Guest for Inauguration Function.
- 5) Vigilance training programs were organised for two batches of Probationary Engineers and one batch of newly joined Accounts Officers.
- 6) Manual for Intensive examination of Contracts has been drafted and released for the benefit of the Intensive Examination teams which has been carrying out the intensive examination of high value contracts.

Diversification

In August 2014 BEL established a Joint Venture Company with Thales, France to address business of Civilian and select defence Radars.

BEL entered into selective IT and Networking businesses in the Non-Defence sector and successfully implemented projects like Wide Area Network for Cabinet Secretariat and LAN-WAN Project for BSF (multiple phases).

Though supplies to Defence constitute a majority share in BEL's turnover, company realizes that, to grow in the years to come, it has to diversify into other areas. Some of the major areas of diversification are Homeland Security, Telecommunication, Smart cards, etc.

Integrity Pact

One of the recent initiatives of the Central Vigilance Commission (CVC) to eradicate corruption in procurement activity is introduction of the Integrity Pact in large value contracts in Government Organisations. In line with the directives from Ministry of Defence and the Central Vigilance Commission, your Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 2,000 Lakhs and above, initially. This threshold value was reduced to ₹ 1,000 Lakhs from March 2013 and further reduced to ₹ 500 Lakhs from May, 2014. The Pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (BEL), committing the Persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors / bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

As recommended by the CVC, the Company has appointed Mr N K Sinha, IAS (Retd), former Secretary, Planning Commission and former Chairman, PESB as an Independent External Monitor (IEM) for monitoring implementation of Integrity Pact in the Company. During the financial year 2014-15 the IEM reviewed 25 contracts and held structured meetings with the Chairman & Managing Director.

Procurement from MSMEs

Your Company has been providing increased thrust on enhancing procurement from MSMEs and is implementing Public Procurement Policy for Micro, Small & Medium Enterprises (MSMEs) as per the guidelines / notification issued by the Ministry of MSMEs. Company is in the process of broadening the vendor base. In order to facilitate MSMEs, the company is deploying all efforts to classify the existing vendors into Micro, Small & Medium Enterprises in the company's procurement system through web-based real-time centralised ERP System (SAP). Vendor registration forms are available in the Company's official website (www.bel-india.com). Industry Promotion Officer is nominated to assist vendors regarding Procedure for Registration, understanding the requirements of BEL, report grievances,

if any, etc. Some of the other initiatives include uploading of company's procurement plan for MSMEs based on the production plan, with periodic update and details of Unit / SBU specific Industry Promotion Officers in the company's official website, participation in various vendor development programmes like exhibitions, workshops, establishment of industrial estate to give maximum encouragement to ancillaries etc.

BEL participated in the National Vendor Development Programs organised by Ministry of MSME at Bengaluru on 12th and 24 March 2015. BEL also showcased some of the input materials viz., Electronic, Electro-mechanical, Mechanical parts for procurement from MSMEs.

Implementation of Official Language Policy

Your Company is committed to adhere to the OL policies of the Government of India. During 2014-15, efforts made towards implementation of Official Languages include :

OL inspection of Ghaziabad Unit was conducted on 9 May 2014 by the officials of Dept. of OL, MHA. During the year under review, Corporate OL Audit team conducted OL inspections at Ghaziabad, Kotdwara Units, CRL-Ghaziabad and RO Delhi.

Incentive Schemes for working in Hindi has been extended to the children of employees and to the society as a whole. These attractive and innovative schemes have been named after famous authors of Hindi Literature. Corporate Panel for English to Hindi translation has been extended. Hindi Month was observed in all the Units and Offices of the Company. During Hindi month, employees and officers participated enthusiastically in various programs / competitions. Employees of various Units / Offices and Corporate Office bagged prizes in the Inter Organisation TOLIC Competitions. Hindi workshops for those having working knowledge in Hindi were conducted during the year. Training on Unicode is being imparted for all Executives and Employees.

13 Units / Offices have been notified under rule 10(4) of OL rules indicating that 80% or more staff have working knowledge in Hindi in these Units / Offices and orders have been issued under rule 8(4) of OL Rules for those having proficiency in Hindi to do their Official work in Hindi. Govt. of India notified CRL-Ghaziabad under Rule 10(4) of OL rules during the year.

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OL Portal is in place to facilitate OL implementation across the company and to provide latest inputs pertaining to OL and is being updated. Hindi language has been enabled in SAP. Most of the Units have uploaded data pertaining to OL Training Roster on SAP. Company's website is available in Hindi and English and efforts are on to progressively have the entire website in bilingual.

Efforts are on to ensure the progressive use of Hindi in all spheres of activities of the Company.

Implementation of RTI Act

The information required to be provided as per Section 4(1) (b) of the Right to Information Act, 2005 has been posted on the website of the Company www.bel-india.com. The Information posted on the website contains general information about the Company, powers and duties of employees, decision making process, rules, regulations, manuals and records held by BEL, a directory of the Company's officers, pay scales, procedure for requesting additional information about the Company by citizens and associated request formats.

During the year 2014-15 the Company received and attended 874 requests for information under RTI Act. Most of the requests were for information related to recruitment, service related matters, third party and commercial secrets information.

Board Meetings/ Change in Directors and Key Managerial Personnel

During the year 5 Board meetings were held, the details of which form part of the Corporate Governance Report.

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

Sl. No.	Name of the Director(s) / KMP	Designation	Date of appointment	Date of cessation
1	Lt Gen Narendra Singh	Director	01.10.2013	30.04.2014
2	Lt Gen C A Krishnan	Director	01.05.2014	Not Applicable
3	Mr Manmohan Handa	Director	24.06.2014	Not Applicable
4	Mr P K Mishra	Director	01.01.2013	19.09.2014
5	Mr J Rama Krishna Rao	Director	03.11.2014	Not Applicable
6	Mr S Sreenivas	Company Secretary	01.04.2014	Not Applicable

Mr P R Acharya, Director (Finance) & Lt Gen C A Krishnan, Government Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr J Rama Krishna Rao, Additional Director is being appointed as Director on the terms as set-out in the Notice of the Annual General Meeting.

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 Section 134(3)(c) of the Companies Act, 2013 state that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March 2015 and of the profit of the Company for the year ended on that date;
- directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- proper internal financial controls were in place and such financial controls were adequate and were operating effectively;
- systems to ensure compliance with the provisions of all applicable laws were in place and same were adequate and operating effectively.

Significant and material orders

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

Events Subsequent to the Date of Financial Statements :

Material changes and commitments affecting the financial position of the Company which have occurred between 31 March 2015 and date of signing of this report are nil.

Changes to Authorised Share Capital and Bonus Issue

The Board of the Company has in its meeting held on 24 July 2015, approved the proposal for :

- increase in the authorised share capital from ₹ 100 Crores to ₹ 250 Crores.
- Issue of 2 bonus shares for every share held by the existing shareholders of the Company.

The said proposals are subject to approval of the Members at the ensuing Annual General Meeting of the Company.

Corporate Social Responsibility

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs & DPE Guidelines the Company has undertaken various activities as per the CSR Policy. The programmes / initiatives / projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which are duly incorporated in our revised CSR policy and forms the guiding principle for all our programmes.

The Corporate Social Responsibility policy of the Company is posted on the Company's website, www.bel-india.com.

Pursuant to the Rule 8 of The Companies (Corporate Social Responsibility) Rules, 2014 a report on CSR activities for financial year 2014-15 is annexed herewith as **"Annexure 1"**.

Auditors

Statutory Auditors

Pursuant to Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India appointed M/s Badari, Madhusudhan & Srinivasan, Chartered Accountants, Bengaluru, as Statutory Auditors for the financial year 2014-15 for audit of accounts of Bengaluru, Hyderabad, Chennai Units and Corporate Office. M/s Ved & Company, Chartered Accountants, Ghaziabad, were appointed as

Branch Auditors of Ghaziabad, Panchkula and Kotdwara Units for the financial year 2014-15. M/s Malani Somani Chandak & Associates, Chartered Accountants, Pune were appointed as Branch Auditors for Pune and Navi Mumbai Units for the financial year 2014-15. M/s Rao & Narayan, Chartered Accountants, Vijayawada were re-appointed as Branch Auditors for Machilipatnam Unit for financial year 2014-15.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the cost records maintained by the Company in respect of its manufacturing activities are required to be audited by the Cost Auditor. Your Directors had, on the recommendation of the Audit Committee, appointed M/s PSV & Associates, Bengaluru, as Cost Auditors of the Company for the financial year 2014-15 for conducting the audit of cost records of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr Thirupal Gorige, Practicing Company Secretary (PCS Registration No. 6424) for the financial year 2014-15 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **"Annexure 2"**.

The Secretarial Auditor in his Report observed that Company is yet to appoint adequate number of Independent Directors and Woman Director on the Board. Your Directors state that the Company being a Government Company, the appointment of the Directors on the Board of the Company is made by the Government of India and same is under consideration of the Government.

Auditors' Report

Auditors' Report on the Annual Accounts for the financial year 2014-15 and **"Nil"** Comments of the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 on the Annual Accounts are appended to this report.

Extract of Annual Return

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

Risk Management

Pursuant to the requirement of Clause 49 of the Listing Agreement, 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.

Remuneration Policy 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.

Vigil Mechanism / Whistle Blower Policy

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

Declaration from Independent Directors

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

Management Discussion and Analysis Report

Management Discussion and Analysis Report required under the Listing Agreements with the Stock Exchanges on which BEL's shares are listed as also under the Government (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), is attached to this Report as **"Annexure 4"**.

Related Party Transactions

There were no materially significant related party transactions with the Company's Promoters, Directors, Management

or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, if required. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement.

This Policy was considered and approved by the Board at its Meeting held on 23 January 2015. The policy has also been uploaded on the Company's website **www.bel-india.com**.

Particulars of Employees

During the financial year there were no employees in the Company who were employed throughout the financial year and were in receipt of the remuneration, in aggregate of more than ₹ 60 Lakhs per annum or employed for part of the financial year and were in receipt of the remuneration, in aggregate of more than ₹ 5 Lakhs per month.

Information required pursuant to Section 197 read with Rule, 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, is attached to this Report as **"Annexure 5"**.

Loans / Guarantees / Investments

Particulars of loans, guarantees and investments under section 186 of the Companies Act, 2013 are nil.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements.

Composition of Audit Committee

The Audit Committee comprises of Independent Directors viz., Mr S M Acharya, Chairman of the Committee,

Mr Vikram Shrivastava, Mr V K Mehta and Government Director Mr J Ramakrishna Rao as its members. All the recommendations made by the Audit Committee were accepted by the Board.

Corporate Governance Report

DPE guidelines on Corporate Governance for CPSEs provide that CPSEs would be graded on the basis of their compliance with the guidelines. DPE has graded BEL as "Excellent" for 2013-14. A report on Corporate Governance along with a Compliance Certificate from the Auditors as prescribed under the Listing Agreements with the Stock Exchanges as well as the DPE Guidelines is attached to this Report as **"Annexure 6"**.

Sustainability Report

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

Business Responsibility Report

The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR report") as part of the Annual Report for listed entities. This SEBI mandate is also inserted as Clause 55 in the Stock Exchange Listing Agreement. The SEBI guidelines / Clause 55 of Listing Agreement provide a format for BR report. It also contains a list of nine Key Principles and various core elements under each principle to assess compliance with Environmental, Social and Governance norms. Listed Companies are required to prepare policies based on these nine Key principles and core elements, put in place a framework to integrate and embed the policies into business activities and a mechanism to measure and report the achievements as BR report.

Your Company has prepared a comprehensive policy framework for BR report, after studying the SEBI guidelines and keeping in view the business and governance environment in which BEL as a Defence PSU operates.

Highlights of this policy are posted on the Company's website www.bel-india.com. The Company's BR report for the year is attached to this Report as **"Annexure 8"**.

Other Disclosures

Information required to be disclosed in accordance with Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given at **"Annexure 9"**.

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 para-military 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 various Ministries of the Government of India, especially the Ministry of Defence, Department of Defence Production. Your Directors express their gratitude to the Defence Research and Development Organisation and the various Research Laboratories under DRDO for the support it received, particularly in the joint development programmes and new products brought out with the help of them. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Chairman, Members and employees of the Audit Board, Statutory Auditors, Branch Auditors, Cost Auditors, Secretarial Auditor, Company's Bankers, collaborators and vendors. Your Directors appreciate the sincere efforts put in by the employees at all levels, which enabled the Company to achieve the good performance during the year. Your Directors express their appreciation and gratitude to all the shareholders / investors for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board

Bengaluru
 24 July 2015

Sunil Kumar Sharma
 Chairman & Managing Director

Annexure 1

REPORT ON CSR ACTIVITIES

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

The Company's CSR policy has been uploaded in the website of the Company under the web-link :

<http://www.bel-india.com/sites/default/files/BEL%20CSR%20POLICY-March-2015.pdf>

2. **The Composition of the CSR Committee.**

Mr S K Sharma, Chairman (Chairman & Managing Director)

Mr M L Shanmukh, Member (Director, Human Resources)

Mr Amol Newaskar, Member (Director, Other Units)

Mr P R Acharya, Member, (Director, Finance)

Lt Gen (Retd) V K Mehta, Member, (Independent Director)

3. **Average net profit of the company for last three financial years** Average net profit : ₹ 1,11,879.32 Lakhs

4. **Prescribed CSR Expenditure (two percent of the average net profit of the last three financial years)**

The Company during the financial year 2014-15 is required to spend ₹ 2,237.59 Lakhs towards CSR.

5. **Details of CSR spent during the financial year.**

- a. Total amount to be spent for the financial year;

₹ 457.06 Lakhs + (₹ 1,846.87 Lakhs)*

- b. Amount unspent, if any;

Nil

- c. Manner in which the amount spent during the financial year is detailed below.

* In line with DPE guidelines, Project wise Provision has been made in the books for amount yet to be spent against the respective project.

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State and projects or Programs was undertaken	Amount outlay (budget) Project or programs wise	Amount Spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs. (2) Overheads :	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Construction of Burns Ward & Donation of Medical Equipment	Promoting Health	Other : Udupi, Karnataka State & Local Area : Panchkula, Haryana	101.75	72.56	72.56	Direct
2	Construction of Classrooms; Augmentation of infrastructure in Educational Institutions & educational grant	Promoting Education	Other : Malur, Kolar District; Nelamangala, Bengaluru Rural District; Hale Peresandra Chikkaballapura District; Karnataka State Local Area : Bengaluru City, & Machilipatnam, Krishna District, AP State	291.40	227.02	227.02	Direct
3	Construction of Digital Library & restoring room used by Sir M Visvesvaraya	Restoration of Buildings & Sites of Historical importance	Kandavara, Chikkaballapura District, Karnataka State	29.00	12.50	12.50	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State and projects or Programs was undertaken	Amount outlay (budget) Project or programs wise	Amount Spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs. (2) Overheads :	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
4	Construction of Classrooms, Science Room, Library, Kitchen and Toilet Blocks at Govt. Schools	Promoting Education, Preventive Healthcare & Sanitation	Local Area : Nelamangala, Bengaluru Rural District; Other : Ballupet, Sakleshpura Taluk, Hassan District; Sompura, Nelamangala Taluk, Bengaluru Rural District; Kodigehalli, Turuvekere Taluk, Tumakuru District; Turuvekere Town, Tumakuru District; Chikkaballapura Town; Kote, Devanahalli Town, Bengaluru Rural District; Kadeburu, Gauribidanur Taluk, Chikkaballapura District; Bagepalli Town, Chikkaballapura District; Hosapete, Magadi Town, Ramanagara District and Thirumale, Magadi Town, Ramanagara District, Karnataka State	601.78	82.47	82.47	Direct
5	Construction of Road for Pipaka Village (Sohna)	Rural Development project	Other : Gurgaon District, Haryana State	215.00	0.00	0.00	Direct
6	Building Toilets in 117 Schools in 7 States under the Hon'ble PM's "Swachh Vidyalaya Abhiyaan"	Promoting Preventive Healthcare & Sanitation	In 7 States : Krishna Dist. AP; Thiruvallur & Kancheepuram Dist. TN; Rangareddy Dist. Telengana; Raigad & Pune Dist. Maharashtra; Kasganj & Mathura Dist. UP; Pauri Garhwal Uttarakhand & Panchkula Dist. Haryana	910.00	30.51	30.51	Direct
7	Providing Skill Training Programme for 800 Trainees in the backward districts of Chamarajanagar and Gulbarga of Karnataka State	Enhancing Vocational Skills	Other : Chamarajanagara & Gulbarga Districts of Karnataka State	123.00	0.00	0.00	Direct
8	Contributing to "Armed Forces Flag Day-Fund" (AFFD- Fund) of the Kendriya Sainik Board of MoD.	Measures for the benefit of Armed Forces Veterans	Other : All India	15.00	15.00	15.00	Direct
9	Green Initiative at INS Valsura, Jamnagar & Naval Dock Yard, Visakhapatnam	Ensuring Environmental Sustainability	Other : Jamnagar, Gujarat State & Visakhapatnam, AP	17.00	17.00	17.00	Direct
	TOTAL			2,303.93	457.06	457.06	

- In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Boards' Report. **Not applicable.**
- The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Annexure 2

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[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, Bengaluru- 560045, KARNATAKA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BHARAT ELECTRONICS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015, 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 :

I 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 2015 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(Not applicable during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(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).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **Not notified hence not applicable to the Company during the audit period.**
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

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

I 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) Department of Public Enterprises Guidelines;
- (ii) Guidelines issued by Ministry of Defence;
- (iii) Orders/Regulations issued by the Govt. of India from time to time;
- (iv) E-Waste (Management & Handling) Rules, 2011;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. *However the company is yet to appoint the adequate number of Independent Directors and woman Director on the Board. It is informed that the filling up of vacancies of the said Independent Directors and appointment of woman director is pending with the appointing authority namely Government of India.* 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 is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period the Company has created a subsidiary Company under foreign technical collaboration.

Place : Bengaluru
Date : 28 May 2015

Name and Signature: Thirupal Gorige
Designation: Practicing Company Secretary
Stamp: FCS No. 6680; CP No.6424

Note: This report is to be read with my letter of even dated 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, Bengaluru- 560045, KARNATAKA

My report of even dated is to be read alongwith 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 my audit.
- (2) I 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. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Where ever required, I 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. My 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 has conducted the affairs of the Company.

Place : Bengaluru
Date : 28 May 2015

Name and Signature: Thirupal Gorige
Designation: Practicing Company Secretary
Stamp: FCS No. 6680; CP No.6424

Annexure 3

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31 March 2015

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

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS

CIN	L32309KA1954GOI000787
Registration Date	21 April 1954
Name of the Company	Bharat Electronics Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Outer Ring Road, Nagavara, Bengaluru -560045 Tel. No. 080 25039300
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Limited #30, Ramana Residency, 4 th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003. Tel. No. 080 23460815 to 818

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Weapon Systems	2927	(Supplies to the Defence for 2014-15 Contributed to 87% of Turnover)
2	Radar & Fire Control Systems	3312	
3	Electro Optics	3311	
4	Communication	3210	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company(s)	CIN / GLN	Holding / subsidiary / Associate Companies	% of shares held	Applicable Section
1	BEL Optronics Devices Limited EL 30 J Block MIDC, Bhosari, Pune - 411 026	U31909PN1990GOI058096	Subsidiary Company	92.79	2(87)
2	BEL-THALES Systems Limited CNP Area, BEL Industrial Estate, Jalahalli, Bengaluru - 560 013	U32106KA2014GOI076102	Subsidiary Company	74	2(87)
3	GE BE Private Limited No. 60, Export promotion industrial park, Whitefield, Bengaluru - 560 066.	U31909KA1996PTC020482	Associate Company	26	2(6)
4	BEL Multitone Private Limited* BEL Corporate office, Outer Ring Road, Nagawara, Bengaluru - 560 045	U32109KA1997PTC022695	Associate Company	49	2(6)

* BEL Multitone Pvt. Ltd. (Joint Venture Company) was under liquidation consequent to Special Resolution passed by its Members on 25 November 2013 for Members' Voluntary winding up. As on 31 March 2015, all the assets of the Company have been disposed off and all dues settled. Approval for closure of winding up procedure has been accorded by its Members at General Meeting held on 31 March 2015. The liquidator has sent the report to Registrar of Companies & Official Liquidator for issuance of winding up order.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	60,015,859	-	60,015,859	75.02	60,015,859	-	60,015,859	75.02	0.00
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1) :	60,015,859	-	60,015,859	75.02	60,015,859	-	60,015,859	75.02	0.00
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2) :	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	60,015,859	-	60,015,859	75.02	60,015,859	-	60,015,859	75.02	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	4,846,637	2,900	4,849,537	6.06	6,718,490	2,900	6,721,390	8.40	2.34
b) Banks / FI	54,101	-	54,101	0.07	112,206	-	112,206	0.14	0.07
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8,637,627	-	8,637,627	10.80	5,477,551	-	5,477,551	6.85	-3.95
g) FIIs	2,949,487	-	2,949,487	3.69	2,746,002	-	2,746,002	3.43	-0.26
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1) :	16,487,852	2,900	16,490,752	20.61	15,054,249	2,900	15,057,149	18.82	-1.79
(2) Non-Institutions									
a) Bodies Corporate	1,985,289	301	1,985,590	2.48	2,416,917	301	2,417,218	3.02	0.54
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,205,818	13,186	1,219,004	1.52	1,899,270	11,886	1,911,156	2.39	0.87
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	160,000	-	160,000	0.20	168,500	-	168,500	0.21	0.01
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Trusts	29,390	-	29,390	0.04	7,075	-	7,075	0.01	-0.03
ii) NRIs	41,822	-	41,822	0.05	99,406	-	99,406	0.12	0.07
iii) Clearing Members	57,853	-	57,853	0.07	323,637	-	323,637	0.40	0.33
Sub-Total (B)(2) :	3,479,902	13,487	3,493,389	4.37	4,914,805	12,187	4,926,992	6.16	1.79
Total Public Shareholding (B)=(B)(1)+(B)(2)	19,967,754	16,387	19,984,141	24.98	19,969,054	15,087	19,984,141	24.98	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	79,983,613	16,387	80,000,000	100	79,984,913	15,087	80,000,000	100	0.00

ii) Shareholding of Promoters							
Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
President of India	60,015,559	75.02	0.00	60,015,759	75.02	0.00	0.00
Prem Kumar Kataria	100	0.000125	0.00	100	0.000125	0.00	0.00
Shekhar Agarwal	200	0.00025	0.00	0	0.00	0.00	0.00025
Total	60,015,859	75.02	0.00	60,015,859	75.02	0.00	0.00025

iii) Change in Promoters' Shareholding (Please specify, if there is no change)				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	No change during the year			
At the end of the year	No change during the year			

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)				
For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2014)		Shareholding at the end of the year (31.03.2015)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
IN30081210000012 – LIFE INSURANCE CORPORATION OF INDIA	4,758,331	5.95	4,476,641	5.60
IN30081210498007 – LIC OF INDIA MARKET PLUS 1 GROWTH FUND	1,371,928	1.71	0	0.00
IN30081210497730 – LIC OF INDIA MARKET PLUS GROWTH FUND	1,178,095	1.47	423,106	0.53
IN30005410073496 – CPSE ETF	673,741	0.84	325,862	0.41
IN30005410009126 – HDFC TRUSTEE COMPANY LIMITED – HDFC TAX SAVERFUND	588,951	0.74	380,000	0.48
IN30005410024648 – AVIVA LIFE INSURANCE COMPANY INDIA LIMITED	511,074	0.64	2,464	0.00
IN30012611218292 – ICICI PRUDENTIAL TAX PLAN	502,627	0.63	175,000	0.22
IN30012611218513 – ICICI PRUDENTIAL DISCOVERY FUND	400,000	0.50	400,000	0.50
IN30134820020365 – LIFE INSURANCE CORPORATION OF INDIA – ULIF004200910LICEND+GRW512	390,715	0.49	390,715	0.49
IN30016710011470 – VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD	383,327	0.48	383,327	0.48
IN30016710014415 – RELIANCE CAPITAL TRUSTEE CO.LTD A/C RELIANCEEQUITY OPPORTUNITIES FUND	0	0.00	750,720	0.94
IN30012611209306 – HDFC TRUSTEE COMPANY LTD – A/C HDFC MID – CAPOPPORTUNITES FUND	370,000	0.46	500,000	0.63
IN30081210000502 – NATIONAL INSURANCE COMPANY LTD	351,510	0.44	291,510	0.36

v) Shareholding of Directors and Key Managerial Personnel				
For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	None of the Directors and KMP holds shares in the Company			
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	Not applicable			
At the end of the year	None of the Directors and KMP holds shares in the Company			

V) INDEBTEDNESS

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	36.95	36.95
ii) Interest due but not paid	NIL	NIL	1.92	1.92
iii) Interest accrued but not due	NIL	NIL	0	0
Total (i+ii+iii)	NIL	NIL	38.87	38.87
Change in Indebtedness during the financial year				
Addition	NIL	NIL	0	0
Reduction	NIL	NIL	0	0
Net Change	NIL	NIL	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	36.95	36.95
ii) Interest due but not paid	NIL	NIL	1.92	1.92
iii) Interest accrued but not due	NIL	NIL	0	0
Total (i+ii+iii)	NIL	NIL	38.87	38.87

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of MD, WTD and / or Manager

(in ₹)

Sl. No.	Particulars of Remuneration	Mr S K Sharma	Mr M L Shanmukh	Mr Amol Newaskar	Dr Ajit T Kalghatgi	Mr P C Jain	Mr P R Acharya*	Mr Manmohan Handa	Total
1.	Gross Salary								
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,238,509	3,745,125	3,059,021	3,025,340	3,037,854	3,148,459	1,959,127	21,213,434
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	421,043	467,467	385,650	387,605	32,400	465,271	175,341	2,334,777
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission								
	- as % of profit	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify								
	(a) Retirement Benefit	901,594	1,046,230	677,940	707,427	897,928	613,895	1,151,994	5,997,008
	(b) Other Benefits (net of Perquisite value) included in 1(b) above	404,167	223,313	276,742	272,042	37,298	(393,570)	187,124	1,007,116
	Total	4,965,313	5,482,135	4,399,353	4,392,414	4,005,480	3,834,055	3,473,586	30,552,335

* Mr P R Acharya is a Whole Time Director and is further designated as CFO (KMP).

B. Remuneration to other Directors

(in ₹)

1. Independent Directors					
Sl. No.	Particulars of Remuneration	Name of Director(s)			Total Amount
		Mr S M Acharya	Lt Gen (Retd) V K Mehta	Mr Vikram Srivastava	
1.	Fee for attending Board / Committee Meetings	370,000	240,000	170,000	7,80,000
2.	Commission	NIL	NIL	NIL	NIL
3.	Others, please specify	NIL	NIL	NIL	NIL
	Total (B)(1)	370,000	240,000	170,000	7,80,000

(in ₹)

2. Other Non Executive Directors				
Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr J Rama Krishna Rao	Lt Gen C A Krishnan	
1.	Fee for attending Board / Committee Meetings	NIL	NIL	NIL
2.	Commission	NIL	NIL	NIL
3.	Others, please specify	NIL	NIL	NIL
	Total (B)(2)	NIL	NIL	NIL
	Total (B)= (B)(1)+ (B)(2)			7,80,000

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

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	1,016,828	-	1,016,828
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	17,880	-	17,880
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	Nil	-	-
2.	Stock Options	-	Nil	-	-
3.	Sweat Equity	-	Nil	-	-
4.	Commission				
	- as % of profit	-	Nil	-	-
	- others, specify	-	Nil	-	-
5.	Others, please specify				
	(a) Retirement Benefit	-	298,833	-	298,833
	(b) Other Benefits (net of Perquisite value)	-	44,171	-	44,171
	Total	-	1,377,712	-	1,377,712

VII. Penalties / Punishments / Compounding of offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

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 Indian economy has seen a reversal from previous years and has started picking up to become one of the few economies in the world with economic growth potential. As the Economy Survey 2014-15 brings out, the real Gross Domestic Product (GDP), as expressed through the recently revised methodology for estimating national income by the Central Statistics Office (CSO), is expected to grow by between 8.1 and 8.5% in 2015-16, as against 7.4% in the preceding year. The improvement in the GDP figure also coincides with a decline in international commodity prices (particularly of crude oil). This has had a helpful impact on inflation and the fiscal deficit, the later being projected to decline to 3.9% of GDP in 2015-16 from 4.1% in the previous year. On India's external front, there has also been several impressive improvements as witnessed in the surge in the country's foreign exchange reserves, stability in the rupee-dollar exchange rate, and a sharp narrowing of the Current Account Deficit (CAD) which had deteriorated to a 'worryingly high' level not so long ago, causing panic among investors and an outflow of foreign exchange.

India's security environment is defined by a complex interplay of regional and global imperatives and challenges. The size and the strategic location of the country places us at the centre of a security dynamic impacted concurrently by the positive

forces of regional and global connectivity on the one side and also by adverse consequences arising from unpredictability, instability and volatility in parts of the immediate and extended neighborhood. As India seeks to achieve transformative national growth and development at home, India's defence strategy and policies aim at providing a peaceful environment by addressing the wide spectrum of conventional and non-conventional security challenges faced by the Country. Guided by the principle of building strength through the principles of strategic autonomy and self reliance, India seeks to enhance its own capabilities and also to pursue a constructive engagement with neighbors and partner Countries in the regional and global community to promote peace and stability.

The 2015-16 defence budget comes in the backdrop of this optimistic macroeconomic outlook and some visible improvements in key indicators of the Indian economy. There has been an increase in the defence budget from ₹ 229,000 Crores to ₹ 246,727 Crores which is an increase of 7.74% compared to the previous budget. The revenue budget has increased by 13.2% while capital budget remained unchanged at ₹ 94,588 Crores. However, as compared to revised Capital budget estimate for 2014-15, there has been an increase by 15.4%. In the Capital budget, the share of contracts already signed (committed liabilities) has a major share of capital budget. This gives a better revenue flow for the projects already being executed by BEL. However, this leaves less capital budget for the new projects.

Army continues to be biggest stakeholder with an approximate allocation of ₹ 1,30,874 Crores and accounts for 53% of the total defence budget in 2015-16. The Air Force comes a distant second with an allocation of ₹ 56,658 Crores, followed by the Navy (₹ 40,529 Crores), Defence Research and Development Organisation (₹ 14,358 Crores) and Ordnance Factories (₹ 3,644 Crores).

The government is giving greater emphasis on "Make in India" initiative and more so for the

Defence industry. The FDI in defence has been increased from 26% to 49% which is expected to evince interest from foreign defence companies to offer technologies to Indian industry. Also, there has been lot of emphasis on human resources skill development, special universities to catering to the defence industry. This will have a positive impact on the Company, as it gives lot of emphasis on the indigenous development of products. BEL has always tried to do Indigenisation of design and manufacture to reduce the cost of the equipments and less dependency on the foreign vendors for spares and other maintenance activities.

On the Global front, there has been an increase in defence spending by 1.7%, compared to the three years of decline. But, spending in North America and Europe has declined. This makes Indian defence market attractive for these companies from North America and Europe. The impact of these changes on Indian defence industry and on BEL needs to be seen in the near future, as this can create more opportunities for tie-ups and getting Global products to Indian markets. Increased focus on the Indian defence market also brings in more competition from Indian and Global Players and BEL is prepared to sustain the competition and meet the growth targets.

(b) SWOT Analysis

Strengths

- Clearly defined Vision, Mission, Objectives and Values
- Good Image and reputation
- Good work ethics
- Strong multi layered in-house R&D resulting in technology and new product development
- Joint development with technology partners for complementary technologies
- Committed work force with good infrastructure and manufacturing facilities
- Well established systems and procedures including ERP

- Decades of experience resulting in excellent domain knowledge and core competencies in all areas of Defence electronics
- Wide product range with strong product support network
- Strong relationship with Defence and Government agencies
- Active learning from domestic and foreign collaborators
- Experience and expertise in executing large System Integration Projects
- Financially sound and continuously profit making
- Long term commitment to customers

Weaknesses

- Gaps in some of the new technology areas
- Risk averse
- Conservative approach in Business Development & Marketing

Opportunities

- Growing Defence and Security needs
- Offset opportunities
- Government's emphasis on Make in India manufacture of defence equipments
- Growing Defence budget allocation
- Growing opportunities in Maintenance, Repair, Overhaul and Upgrade programs of Defence
- Increased impetus on modernisation of central paramilitary forces
- Growing market for Homeland Security, Smart City elements, Solar Power Plants

Threats

- Increasing competition from Indian Private industry and foreign OEMs including their JVs in the Defence sector
- Rapid changes in technology
- Difficulty in sourcing few critical technologies

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

To ensure sustained performance and growth, the Company has undertaken the following initiatives :

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

The Company is working in many strategic areas of importance like Next Generation Electronic Warfare Suites, Air Defence Systems, Tactical Communication Systems, Battlefield Management Systems, Passive Night Vision Devices and Multi- sensor stabilisation systems. The major new initiatives undertaken in the year 2014-15 are LTE based Military Networking solutions, Directed Energy Weapons, Electronics systems for Futuristic Infantry Combat Vehicle (FICV), Missile Containers, Training Simulators, Smart City Elements, etc.

The Company has entered into many strategic alliances for addressing the emerging opportunities in these areas with Defence laboratories, OFB and other reputed global OEMs. These include SAM systems, Air Defence Radars, BMS, Sonar systems, Next Generation Night Vision Devices, Gun upgrades / new gun programs, Inertial Navigation Systems, MALE UAVs, Maintenance of Aerostat Surveillance and Communication systems.

- (ii) Forming of Joint Ventures (for both existing / emerging business areas)

The Company has successfully incorporated the Joint Venture Company with Thales, BEL-THALES Systems Limited after obtaining the Government and FIPB approvals and the JVC is presently operational. The Joint Venture Company will be engaged in Design, Development, Marketing, Supply and Support of Civilian and select Defence Radars for Indian and Global markets.

The Company is looking out for similar joint venture partnerships / special purpose vehicle

arrangements with reputed Companies of complementary strengths in technology to address emerging new business opportunities.

- (iii) Emphasis on in-house R&D

In the changing business environment, with Government's firm resolve to achieve self reliance in Defence by encouraging participation of private sector in Defence, indigenous development of Defence products would be of paramount importance. Reinforcing in-house R&D as well as co-development would be the key to enhancement of business. BEL has taken the several steps towards enhancement of in-house R&D.

- (iv) Thrust on exports and offsets

BEL is focusing on opportunities in the areas of offset obligations of vendors in various RFPs of MoD. The focus is on 'Build to Print', 'Build to Spec' and 'Buyer Nominated Equipment'. BEL has signed MoUs with many foreign Companies and is working with major Aerospace and Defence Companies to establish long-term supply chain relationships.

BEL is also vigorously pursuing possibilities to export various products and systems to friendly Countries with the approval of MoD. Currently, the Coastal Surveillance System and Electronic Voting Machines are being promoted aggressively to South East Asian, Middle East and African Countries.

Technology up-dation and R&D

Challenges :

Core technologies of BEL's business involve applications of fast changing technological fields like Electronics, IT and Software. Some of the most challenging tasks of R&D Engineers of BEL are to keep abreast with latest technologies in the various fields of BEL's business areas, quickly master the emerging technologies and apply them during the development of

new products. The technologies required to manufacture various products in the areas of BEL's business are required to be developed and upgraded continuously to meet emerging User requirements including overcoming of obsolescence issues. The need for constant technological upgrades juxtaposed with the need for maintaining legacy systems places an enormous responsibility on BEL to be not only current in the world class technologies but also to be innovative in finding means to tackle obsolescence of legacy products and systems.

Measures :

BEL has responded to the above challenges with a positive note and has identified various measures to meet them. The measures include strengthening the technology development process through short, medium and long term technology roadmaps, increased investments in R&D and setting up of a company-wide knowledge Management system to harness the complete potential of the R&D Engineers and sharing of accumulated R&D knowledge in various fields amongst the R&D engineers. BEL is enhancing its efforts for in-house developments and also further strengthening the close co-operation with DRDO Labs, other national research laboratories and R&D organisations including academia to enhance indigenous developments. BEL is also taking adequate initiatives for joint developments with reputed foreign Companies to quickly harness specialised technologies into the new products.

R&D Initiatives :

Following are some of the new initiatives undertaken by BEL in the areas of R&D and Technology development during the year 2014-15 :

- R&D Divisions across all the SBUs and Units of BEL, supported by the Central-D&E and two Central Research Laboratories located at Bengaluru and Ghaziabad, have continued

to contribute significantly to the generation of new business through the development of state-of-the-art products with cutting edge technologies.

- R&D Divisions of BEL continued to actively interact with the National Labs, namely, DRDO, ISRO, CSIR, C-DAC, C-DOT and leading academic institutions like IITs, NITs and IISc for the development of specialised indigenous technologies.
- BEL invested 8.20% of its turnover in R&D during 2014-15.
- Inauguration of newly built Software Development Centre.
- Commencing the building of Product Development and Innovation Centre (PDIC) to address development of sub-system and products.
- Updated version of Knowledge Management Portal has been created as part of SAP system; Over 400 titles of e-books have been enabled across the Company as part of Knowledge sharing.
- Around 52 technical papers were published by scientists and R&D engineers of BEL in various national and international journals / seminars / conferences.
- R&D Engineers are motivated by suitably awarding the individuals / team for excellence in in-house R&D efforts, technology development and innovative ideas.
- BEL has filed for 9 Patents in the areas of High power electric drive, Ultrawide band HPF, Cavity Diplexer, Linear array antenna, Microwave Log periodic antenna x-ray baggage scanning, Search method in communicated data, Panoramic view generation, Detection of an object in Target area.
- R&D Engineers across the units had participated around 25 different Seminars and Conference of importance to BEL, this includes Aero India, EW Workshop, Microwave Symposium Defcom., Digitisation

of Battle Fields, Software Defined Network, Night Vision India etc.

(d) Diversification / Expansion plans

In the last 5 years, the Company has done Non-defence business of about 17% of the overall business and has plans to increase its Non-defence share in the overall business in the coming years.

The company is putting efforts to enter into the new areas in Defence and Non-Defence for further expanding its business. SAM systems, Electronic Ammunition Fuses, Satcom terminals, LTE, Gigabit Passive Optical Network, Routing & Switching products etc are some of the areas being attempted in Defence.

In the Non Defence domain, opportunities related to Critical Infrastructure Protection, Air Traffic Management Radars, Intelligent Traffic Management Systems, Solar Power Plants, Smart City elements etc are being focused.

The Company is planning to set up ₹ 500 Crores Greenfield weapon systems facility in Andhra Pradesh. The new facility will focus on design, development and production of all kinds of weapon systems such as fire control, missile systems and other weapon upgrade programs and the plant is expected to be ready in two years.

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

1. Risk Management

The Company has an established Risk Management Policy, which outlines a comprehensive framework for risk identification, evaluation, prioritisation and treatment of various risks associated with different areas of operation such as technology, product, market, human resources, finance and other operations related risks.

A two tier risk management structure, one at Corporate level and another at Unit level, has

been established for effective management of the risks. At Corporate level, the Corporate Risk Management Committee (CRMC) is headed by a General Manager with members drawn from important functional areas like Strategic Planning, Technology Planning, Marketing, Finance, Quality and Human Resources. At Unit level, Risk Management Committees (URMCs) are headed by the General Manager and members drawn from various functional areas. Risk Champion at Corporate level coordinate the risk management processes, ably supported by Unit Risk Management Committees. The Corporate Risk Champion is of the rank of Addl. General Manager and Unit Risk Champions are of the level of Addl. General Manager or Sr. Dy. General Manager. All Additional General Managers and General Managers have undergone Management development program in Enterprise Risk Management conducted by Indian Institute of Management, Kozhikode.

Based on the requirement of clause 49 of Listing Agreement, a Board level committee consisting of Director (Marketing), Director (Finance), Director (Bangalore Complex) and General Manager (Strategic Planning) / CO was formed in 375th Board Meeting. The Risk Management Policy of BEL was amended incorporating the roles and responsibilities of Board level Committee Members. The Risk Management Policy was presented in the Board Meeting and was approved.

Based on the feedback received from the various Units, certain risks have been identified by the Corporate Risk Management Committee (CRMC) in various areas like Technology, Marketing, Finance and HR. These risks are being addressed by introducing suitable risk practices at the decision making stage itself which subsequently leads to incorporating suitable risk mitigation processes. At the time of project evaluation, sensitivity analysis is used as a tool to measure the impact of various risks. Similarly at the time

of pricing or any key managerial decisions, the risk factors are highlighted for the decision making authority to take informed decision. The practice of Risk Management Process is still at nascent stage in BEL but the Company is committed to initiating and formalising the required processes to make Risk Management practices an inbuilt culture of the Company.

2. Cost Reduction

In the prevailing dynamic business environment, achieving cost efficiency is one of the main strategies to combat competition. BEL has been providing increased focus on cost reduction strategy in the ever increasing competition for Strategic Electronic Products & Systems both in Defence and Non-Defence areas and has been adopting innovative cost control mechanisms. The importance of cost reduction has percolated at all levels across the Company to bring in strong awareness to control cost at various levels of operation.

The Company's Cost Reduction activities focus both on manufacturing and non-manufacturing areas and encompass all facets of business like production, administration, finance, services etc. Various avenues such as Design Change, Alternate Material, Labour, Indigenisation, Alternate Sourcing, Inventory Management, Process Improvement, Quality Initiatives, Energy Conservation etc., are some of the areas for Cost reduction. The cost reduction efforts have been institutionalised across the Company including recognition through awards for significant cost reduction as part of Company's endeavor towards cost reduction.

3. Indigenisation

BEL has always been striving to attain self-reliance through indigenisation efforts and thereby meet the strategic needs of the nation. The indigenisation activity covers development initiatives through in-house R&D,

Collaborative R&D & joint development with national labs like DRDO, ISRO, CSIR, C-DOT & Academic institutions. To give further thrust on indigenisation, the Company has initiated setting up of an Integrated State-of-the-art Corporate R&D Center (Product Development Innovation Center), with larger infrastructure, resources and facilities at Bengaluru to keep pace with the changing technology trend, customer requirements, future business needs etc. With all these efforts, around 80% of turnover was generated from indigenous technology, during the year.

(B) Internal Control System and its Adequacy

To provide highest level of Corporate Governance your Company has in place an internal control system commensurate with its size and the nature of its operations. These have been designed not only to ensure smooth and efficient conduct of business but also to provide reasonable assurance with regard to recording and providing reliable financial and operational information, monitoring economy and efficiency of operations, complying with relevant laws and regulations, ensuring compliance of Company's policies & procedures issued from time to time and safeguarding assets from unauthorised use or losses. Adequate internal control measures are available in the form of various manuals, policies and procedures issued by the management covering all critical and important activities viz. Purchase, Sub - contract, Material, Stores, Works contracts, Internal Audit, HR and Security. These manuals, policies and procedures are updated from time to time and are subject to strict compliance. Elaborate guidelines for preparation of accounts are followed consistently for uniform compliance.

A comprehensive delegation of power exists for speedier decision making with authority limits for incurring capital and revenue expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down. Your Company uses a state - of - the - art ERP System to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

It has continued its efforts to align all its processes and controls with best practices.

Your Company has professionally qualified in-house audit teams, positioned at corporate and major manufacturing Units of the Company. Through a well established audit process the team continuously monitors the adequacy and effectiveness of internal control environment covering activities of all the Units and Offices. The audit assignments are carried out as per annual audit programme approved by Audit Committee of the Board. The Internal Audit function is headed by General Manager (Internal Audit) reporting to the Chairman & Managing Director.

Your Company has an Audit Committee comprising of one Government Nominee Director and three Independent Directors which reviews internal control systems and gives suggestions for strengthening them wherever required. The Audit Committee meets the Company's Statutory Auditors to ascertain, inter alia, their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The significant audit observations of internal audit are reviewed by a Committee comprising of functional directors as well as the Audit committee. BEL being a Government Company, is subject to audit by Comptroller and Auditor General of India.

(C) Financial / Operational Performance

1. Strategy & Objectives

The main objectives of the financing strategy of your Company are as follows :

- To make available the required funds through internal accruals and/or by effective cash flow management with a view to have least borrowing and consequently least interest cost;
- To maintain the highest credit rating in the short term to be able to raise funds at most economical rates as and when required;
- To meet the expectations of the various stakeholders;

- To look for avenues for investments in production / project related activities so as to upscale the quantum of operations;
- To maintain highest standards of financial reporting by following the mandatory as well as recommendatory accounting standards;
- To effectively execute tax planning thereby, improving the post tax yield to the shareholders.
- To build in risk mitigation strategies at the time of pricing and evaluating projects in order to minimise exposure to financial risks.

2. Performance Highlights

(₹ in Lakhs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Turnover	669,456.53	617,423.25
Total Expenditure before Financing Cost	587,156.47	557,781.29
Profit Before Finance Cost and Tax	146,807.05	117,813.56
Operating Margin (PBIT / Gross Turnover) Ratio	21.93%	19.08%
Profit After Tax	116,724.09	93,162.18
No. of Days Inventory / Value of Production (DPE Method)	188	202
No. of Days Trade Receivables / Turnover	206	244
Current Ratio	2.01	1.85
Debt Equity Ratio	0	0

3. Analysis of Financial Performance of 2014-15

- Turnover registered a growth of 8.43% from ₹ 617,423.25 Lakhs in 2013-14 to ₹ 669,456.53 Lakhs in 2014-15.
- Value of Production has increased from ₹ 612,689.97 Lakhs in 2013-14 to ₹ 6,65,854.35 Lakhs in 2014-15. An increase of 8.68%.
- Profit after tax rose by 25.29%, from ₹ 93,162.18 Lakhs in 2013-14 to ₹ 1,16,724.09 Lakhs in 2014-15.
- Increase of PAT to Turnover Ratio from 15.09% in 2013-14 to 17.44% in 2014-15.
- Turnover per employee has increased from ₹ 62.04 Lakhs in 2013-14 to ₹ 68.99 Lakhs in 2014-15.

- Earning per Share has increased from ₹ 116.45 in 2013-14 to ₹ 145.91 in 2014-15.
- Book Value per Share has increased from ₹ 877.15 in 2013-14 to ₹ 985.63 in 2014-15.
- Net Worth has grown from ₹ 7,01,723.77 Lakhs in 2013-14 to ₹ 7,88,502.90 Lakhs in 2014-15.

(D) Development in Human Resources

There is an integrated relationship between the key pillars of HR and the business strategy. HR processes need to connect with, support, and complement the business strategy, and be flexible enough to change with shifting priorities. Workforce requirements of the future are determined by competitive pressures, economic trends, accelerated technological development and business strategy. The future demands continuous innovative human resource development initiatives to meet these requirements. Success is realised through employees demonstrating qualities and behaviours associated with high performance. Competencies are the tool for raising the bar on employee performance and linking the performance directly to the business strategy. Hence sustained competency development of our employees both at the individual and at the team level has been a key focus of all our human resources development initiatives.

Structured Executive Development Programs are conducted regularly with premier institutes to meet the evolving training needs of executives as they progress through various grades.

Apart from this, 360-degree feedback and Leadership Development programs were conducted to equip our senior managers with Leadership competencies. 4 batches of senior executives underwent the program last year.

Driving significant change is one of the most challenging tasks that any large organisation faces. It requires that new paradigms replace the status quo of doing business. Our "Leading the Change" program for senior executives aims at aligning the thinking and attitudes of our senior executives to that required for a global organisation. 94 senior executives have undergone the program last year.

The advantages of teamwork and collaboration are reinforced in an Outbound Learning Program. This training takes the participant away from comfort zone, in an informal risk-free environment, thereby enabling the participant to experiment and explore the hidden potential. 9 cross-functional teams attended the program during the year 2014-15.

Emotional Intelligence is a key requirement for a Leader to be effective, facilitate employees to achieve superior business performance, develop the ability to manage self to adapt to change and to enhance positive attitude for building a culture of trust, support, openness and collaboration. 10 programs were conducted during 2014-15.

Strategising is an important component for senior executives. "Strategy Building and Competitive Intelligence" program was organised through the faculty of a premier Management Institute and 44 senior executives attended the program.

In order to provide a conceptual framework for identifying and mitigating potential business risks, 5 two day programs on "Enterprise Risk Management" have been organised for the senior executives on the theory of Risk Management and practices.

Considering the criticality of Innovation in our business, 10 intensive programs on "Strategic Innovation" were organised through faculty from IIM to emphasise that innovation is not just a management ideology but a way of life that is required to be understood and implemented for sustained competitive advantage.

In order to impart concepts and principles / practices on HRM to our middle and senior level executives, 5 programs on HR for Non HR Executives was conducted at IIM covering 127 executives.

To identify the individual strengths and areas for improvement and lead to focused developmental activities, Competency Based Online Development Centre (ODC) has been implemented for Executives across various Units / Offices in the Grades of E-II to E-V (Dy. Engineers / Officer to Manager), consisting of simulation exercises for assessing BEL Behavioural Competencies

by providing participants an opportunity to demonstrate behaviour relevant to BEL Competencies. ODC has been administered through a web-based platform. After the ODC Tool administration, the participants are provided with Individual Development Plans / Reports which are followed by one-to-one feedback by a Senior Consultant for defining individual action plan for development. 418 Executives were covered through ODCs during the year.

In order to address the Group Competency Gaps, post ODCs, 28 One Day Competency Development Workshops for our Executives, for addressing identified two Competencies pertaining to the Unit, were conducted during the year.

To enhance Women leadership competencies and help them understand the leadership imperatives, Two Women Leadership Development Workshops (DEEPSHIKHA) including one- to-one counseling based on a leadership tool was conducted for Women Executives.

To understand the process of patenting and IPR and to generate the requisite Intellectual Property Rights documents, 5 workshops on "Intellectual Property Rights" were organised for the D&E executives.

To build technical competencies, sponsorship of executives for M.Tech programme of Defence Institute of Advance Technology (DIAT) initiated. Engineers have been selected through two levels of screening process and deputed for the M.Tech programme.

To improve communication and technical writing skills, a scheme of 'Presentation of Professional Papers' introduced for executives wherein cross functional

teams from SBU / Units participated in a competition and the 'Best Paper Award' and rolling shield was given to the best technical paper presentation made by participants.

As a Technology Company operating in a competitive business segment, we have to adopt effective strategies for achieving business growth. Value Chain Analysis is a powerful analysis tool for Strategic Planning. Hence a One day program on "Value Chain Analysis & Strategic Thinking" was conducted by faculty from IIT, Madras covering 30 senior Executives.

Technology programs to enhance knowledge of our engineers in various technology areas were conducted / nominations were made for Technology programs. Some of the programs are Advances in Aviation and Space Technologies, FPGA (Basic, Intermediate & Advanced), Self reliance in defence manufacturing, Software defined networking, Strategic Electronics, Project Management, Indian Defence Technology, Concurrent Engineering & Design for Manufacturing, Deftronics, Cyber Security, Advances in VLSI Signal Processing etc.

A Two day "Annual HR Conference" was organised on the theme "HR is Business." Persons of eminence from HR / Other fields were invited as speakers. In addition to this, Presentations were made by SBU Heads on the SBU Business and HR Officers also presented on the various trends emerging in the area of HR.

Various training programs were organised for non-executives on quality, safety, technical and other related subjects in our Units.

Annexure 5

INFORMATION REQUIRED PURSUANT TO SECTION 197 READ WITH RULE, 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES.

(i) & (ii) The ratio of the remuneration of each Director to the Median remuneration of the employee of the Company and the percentage increase in remuneration of each Director and Company Secretary in the financial year 2014-15 are as under :

Sl. No.	Name of the Director / Company Secretary	Designation	Remuneration of each Director / Company Secretary for the Financial year 2014-15 (₹ in Lakhs)	Ratio of the remuneration of each Director / to Median remuneration of the employees	% increase in Remuneration in the Financial year 2014-15
1	Mr S K Sharma	CMD	49.65	5.00	14.77
2	Mr M L Shanmukh	Director (HR)	54.82	5.52	22.01
3	Mr Amol Newaskar	Director (Other Units)	43.99	4.43	14.89
4	Dr Ajit T Kalghatgi	Director (R&D)	43.92	4.42	29.49
5	Mr P C Jain	Director (Mktg)	40.06	4.03	12.68**
6	Mr P R Acharya	Director (Finance) & CFO	38.34	3.86	14.77**
7	Mr Manmohan Handa	Director (Bangalore Complex)	34.74	4.28*	NA
8	Mr S Sreenivas	Company Secretary	13.77	NA	NA

* Annualised

** Last year salary is annualised

- (iii) During the Financial year 2014-15, there was an increase of 5.05% in the Median remuneration of the employees.
- (iv) There were 9,703 permanent employees on the rolls of the company as on 31 March 2015.
- (v) Turnover and Profit Before Tax for the financial year ended 31 March 2015 increased by 8.43% and 24.85% respectively. The average increase in remuneration is 8.47%. Remuneration increase was in line with the performance of the Company.
- (vi) The total remuneration of Key Managerial Personnel has increased by 13.74%. The Turnover and Profit Before Tax (PBT) for the financial year ended 31 March 2015 increased by 8.43% and 24.85% respectively.
- (vii)
 - a) The market capitalisation as on 31 March 2015 was ₹ 26,80,400 Lakhs as against ₹ 8,93,264 Lakhs as on 31 March 2014 (Based on the NSE closing price).
 - b) Price earning ratio of the Company was 22.96 as on 31 March 2015 as against 9.59 as on 31 March 2014.
 - c) Company has not made any public offer.
- (viii) Average increase in the salaries of employee's other than Managerial Personnel in the financial year 2014-15 was 8.45% and the increase in the Managerial remuneration was 13.74%.
Salary of the Managerial personnel including Executives is governed by presidential directives and DPE guidelines.
- (ix) The increase in remuneration of the Key Managerial Personnel ranges from 12.68% to 29.49%, and turnover and Profit Before Tax (PBT) for the financial year ended 31 March 2015 increased by 8.43% and 24.85% respectively.
- (x) The variable component of remuneration is Performance Related Pay (PRP) payable under the scheme formulated in line with DPE guidelines. The key parameter under the scheme is the operating profit and MOU ratings.
- (xi) No Employee has received remuneration in excess of the highest paid Director during the year.
- (xii) It is hereby affirmed that remuneration paid by the Company is as per the remuneration policy of the Company (including Presidential Directives and DPE Guidelines).

Annexure 6

Corporate Governance Report

Philosophy and Code of Governance

BEL's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision-making and avoiding conflicts of interest. BEL gives importance to adherence to adopted corporate values & objectives and continuously ensures ethical & responsible leadership at all levels in the Company in discharging social responsibilities as a corporate citizen. BEL 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.

BEL strives to transcend much beyond the basic requirements of Corporate Governance focusing consistently towards value addition for all its stakeholders. In keeping with its professional approach, BEL is implementing the precepts of Corporate Governance in letter and spirit.

Board of Directors

Composition

Pursuant to Companies Act, BEL is a 'Government Company' as 75.02% of the total paid-up share capital of the Company is held by the President of India.

In line with the provisions of clause 49 of the Listing Agreements with Stock Exchanges and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Dept. of Public Enterprises, Govt. of India (DPE Guidelines). The composition of Board of Directors of BEL has an appropriate mix of Executive Directors represented by Functional Directors including CMD and Non- Executive Directors represented by Government Nominees & 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 2015, BEL Board of Directors comprises of seven Whole-Time Executive (Functional) Directors including CMD, two Part-Time Government (Non-Executive) Directors and 3 Part-Time Independent (Non-Executive) Directors. In addition, under Government directives, the following are Permanent Special Invitees to all the Board Meetings of the Company : (i) the Vice Chief of Air Staff, Indian Air Force; (ii) the Chief of Material, Indian Navy; (iii) the Additional Financial Advisor & Joint Secretary, Ministry of Defence; (iv) Director General, Electronics & Communication Systems, DRDO.

There are six temporary vacancies of Independent Directors as on 31 March 2015 against the requirement of nine Independent Directors. All the vacancies were notified to Govt. for filling up. The matter of filling up of these vacancies is under consideration of Ministry of Defence, Government of India.

Meetings and Attendance

During the financial year ended 31 March 2015, five Board Meetings were held and the maximum interval between any two meetings was not more than 120 days. The Board Meetings were held on 11 April 2014, 30 May 2014, 31 July 2014, 07 November 2014 and 23 January 2015. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other directorships / committee memberships held by them during 2014-15 etc. are given below :

Sl. No.	Directors	Meetings held during respective tenure of Director	No. of Meetings attended	Attendance at the last AGM held on 25 Sept 2014	No. of other Directorships held**	* No. of Committee Membership across all Companies	
						As Chairman	As Member
Whole-Time Functional (Executive) Directors							
1	Mr S K Sharma, CMD	5	5	Yes	1	Nil	Nil
2	Mr M L Shanmukh	5	5	Yes	1	1	1

Sl. No.	Directors	Meetings held during respective tenure of Director	No. of Meetings attended	Attendance at the last AGM held on 25 Sept 2014	No. of other Directorships held**	* No. of Committee Membership across all Companies	
						As Chairman	As Member
3	Mr Amol Newaskar	5	5	Yes	Nil	Nil	1
4	Dr Ajit T Kalghatgi	5	5	Yes	2	Nil	1
5	Mr P C Jain	5	5	Yes	1	Nil	Nil
6	Mr P R Acharya	5	5	Yes	2	Nil	1
7	Mr Manmohan Handa (appointed w.e.f. 24 June 2014)	3	3	Yes	Nil	Nil	Nil
Part-Time Government (Non-Executive) Directors							
8	Lt Gen C A Krishnan (appointed w.e.f. 01 May 2014)	4	1	No	Nil	Nil	Nil
9	Mr J Rama Krishna Rao (appointed w.e.f. 03 Nov 2014)	2	2	NA	1	1	1
10	Lt Gen Narendra Singh (ceased to be Director w.e.f. 30 April 2014)	1	0	NA	Nil	Nil	Nil
11	Mr P K Mishra (ceased to be Director w.e.f. 19 September 2014)	3	2	NA	1	Nil	Nil
Part-Time Independent (Non-executive) Directors							
12	Mr S M Acharya	5	5	Yes	Nil	1	Nil
13	Lt Gen (Retd) V K Mehta	5	5	No	Nil	Nil	1
14	Mr Vikram Srivastava	5	4	No	1	2	2

Note : * Under Clause 49, the Chairmanship / Membership of Audit Committee and Stakeholders' relationship Committee are considered.

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

The number of Directorship and Committee positions given above are as notified by the Directors and it is confirmed that no Director has been a member of more than 10 Committees or acted as Chairman of more than 5 Committees across all companies in which he is a Director.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company on half-yearly periodicity.

Mandatory Committees of the Board

Audit Committee

The composition of the Audit Committee is in line with Section 177 of Companies Act 2013 (the Act), Clause 49, and DPE Guidelines. The Company's Audit Committee consists of three Independent Directors and one Government Director. In addition, the Company's Statutory Auditors, Director (Finance), Director (Bangalore Complex), Director (Other Units) and General Manager (Internal Audit) are also regularly invited to attend the Audit Committee meetings. Chairman of the Audit Committee is an Independent Director. Chairman of the Audit Committee attended the Annual General

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Meeting of the Company held on 25 September 2014. The terms of reference of the Audit Committee are as specified in Section 177 of the Act, Clause 49, and DPE Guidelines.

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

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges & other regulatory authorities.
- 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. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing the Management Discussion & Analysis of financial and operational performance.
- Reviewing with the Management, performance of statutory and internal auditors, the adequacy and effectiveness of the Company's system, internal controls and Governance Processes.
- Reviewing and discussing with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as Whistle Blower Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Review of annual Cost Audit Report submitted by the Cost Auditor.

The Composition of the Audit Committee as at 31 March 2015 and details of the Members participation at the Meetings of said committee are as under :

Name of the Member	Category	Attendance at the Audit Committee Meetings held on				
		29 May 2014	30 July 2014	06 Nov 2014	22 Jan 2014	03 Mar 2015
Mr S M Acharya, Chairman	Independent Director	✓	✓	✓	✓	✓
Mr P K Mishra (Ceased to be Director w.e.f. 19 September 2014)	Government Director	Leave of Absence	✓	Not Applicable	Not Applicable	Not Applicable
Mr J Rama Krishna Rao (Appointed w.e.f. 3 November 2014)	Government Director	Not Applicable	Not Applicable	✓	✓	Leave of Absence
Lt Gen (Retd) V K Mehta	Independent Director	✓	✓	✓	✓	✓
Mr Vikram Srivastava	Independent Director	Leave of Absence	✓	✓	✓	✓

Nomination and Remuneration Committee

In compliance with the provisions of section 178 of the Companies Act, 2013 and listing agreement, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

Composition : Mr. S M Acharya is the Chairman and Mr J Rama Krishna Rao and Lt Gen (Retd) V K Mehta are Members of the Committee.

The Committee met once on 22 January 2015. Chairman and all members of the Committee attended the aforesaid meeting.

Some of the important functions performed by the Committee include :

- Recommending policy to the Board in line with the provisions of Companies Act 2013, DPE Guidelines and Presidential Directives / Guidelines issued by Government of India.
- Approval of performance pay to the employees of the Company.

Remuneration Policy / Performance Evaluation

The Remuneration Policy of the Company states that the Company shall abide by the directives issued by Government of India on the qualifications, positive attributes and independence of a Director, and to adopt the remuneration for the Directors, Key Managerial Personnel and other employees as fixed by the Government of India conveyed by the Ministry of Defence. The evaluation and performance criteria of independent directors shall be on their attendance of Board and Committee meetings, their contribution at the meetings and their general conduct of affairs with functionaries of the Company, for evaluation; and areas of constructive suggestions, depth of scrutiny, care and mindfulness of issues placed before them and providing solutions, information and methods to safeguard the Company's interests, for performance assessment. The Remuneration policy is posted on the Company's website, www.bel-india.com.

BEL, being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors (Functional Directors including CMD) are determined by Govt. of India through Public Enterprises Selection Board (PESB) / Search Committee, indicating the terms and conditions of appointment, including the period of appointment, the scale of pay with components such as Basic Pay, Dearness Allowance, entitlement to accommodation

etc. subject to the relevant rules of the Company. Pay scales of Functional Directors including CMD are governed by Presidential Directives received from the Ministry of Defence.

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

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

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

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

Remuneration paid to Directors during the financial year 2014-15

(in ₹)

Name of Director	Salary	Perquisites	Company contribution to PF & Incremental Gratuity / leave / BERECHS	Incentive	Lease rental + Maintenance	Total
Mr. S K Sharma	24,15,900	56,219	936,552	8,06,642	7,50,000	49,65,313
Mr. M L Shanmukh	28,26,077	70,423	11,04,459	8,81,176	6,00,000	54,82,135
Mr. Amol Newaskar	23,26,956	43,723	7,07,425	7,21,249	6,00,000	43,99,353
Dr. Ajit T Kalghatgi	22,99,950	41,037	7,35,906	7,15,521	6,00,000	43,92,414
Mr. P C Jain	25,07,663	51,437	9,22,662	5,23,718	0	40,05,480
Mr. P R Acharya	27,21,761	52,639	613,895	4,45,760	0	38,34,055
Mr. Manmohan Handa	16,93,699	25,230	11,70,579	2,60,745	3,23,333	34,73,586

Part-Time 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. However, if the same Independent Director attends more than one meeting (of Board / Committee) on the same day, the sitting fees payable for each of such additional meeting is ₹ 10,000. Details of sitting fees paid to the Independent Directors during the financial year 2014-15 are given below :

(in ₹)

Name	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Mr S M Acharya	100,000	270,000	370,000
Lt Gen (Retd) V K Mehta	100,000	140,000	240,000
Mr Vikram Srivastava	80,000	90,000	170,000

The Company does not pay any commission to its Directors. The Company has not issued any stock options to its Directors. None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the financial year 2014-15.

Directors' Shareholding

None of the BEL Directors hold any shares or convertible instruments of the Company as on 31 March 2015.

Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Companies Act, 2013 and listing agreement, the Board of

Directors in its meeting held on 07 November 2014 changed the nomenclature of the "Shareholder / Investor Grievance Committee" to "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee is comprised of Mr. Vikram Srivastava as the Chairman and Mr M L Shanmukh and Mr. Amol Newaskar as Members of the Committee.

The terms of reference of the Stakeholder Relationship Committee are as specified in Section 178 of the Act and Clause 49 of the Listing Agreements with the Stock Exchanges.

The Committee met once during the year on 23 January 2015. Chairman and all Members of the Committee attended the said meeting.

Transfer requests and complaints from the shareholders are attended promptly as and when they are received. Five 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 2015. There were no pending share transfers at the close of the financial year.

Corporate Social Responsibility Committee

In pursuant to the provisions of section 135 of the Companies Act, 2013 and DPE Guidelines, Corporate Social Responsibility Committee has been constituted.

The salient terms of reference of the Corporate Social Responsibility Committee (CSR) include reviewing of the

existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and DPE Guidelines;

Some of the important terms of reference of the Committee are as follows :

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

The composition of the Corporate Social Responsibility Committee as at 31 March 2015 and the details of Members' participation at the Meetings of the said Committee are as under :

Name of the Member	Category	Attendance at the CSR Meetings held on	
		29 May 2014	7 Jan 2015
Mr S K Sharma, Chairman	Chairman and Managing Director	✓	✓
Lt Gen (Retd) V K Mehta	Independent Director	✓	✓
Mr M L Shanmukh	Director (HR)	✓	✓
Mr Amol Newaskar	Director (Other Units)	✓	✓
Mr P R Acharya	Director (Finance)	✓	✓

The Company has adopted a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company. During the year under review, the Company has conducted various CSR programmes in the areas of promoting education and environment sustainability.

Risk Management Committee

BEL strives continuously to identify, evaluate, prioritise and mitigate existing as well as potential risks related

to the business of the Company through its robust Risk Management framework. Pursuant to the requirements of Clause 49 of Listing Agreement, a Board level Committee comprising the Director (Marketing) as Chairman, Director (Finance), Director (Bangalore Complex) and General Manager (Strategic Planning) as Members, was constituted. The Board of Directors reviews and monitors the status of Risk Management through the 'Risk Management Committee', 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.com.

Other Non- Mandatory Committees

The following Sub Committees of the Board have been constituted :

R & D Committee

R&D Committee comprising the Chairman & Managing Director, one Independent Director, Director (R&D), and Director (Finance) has been constituted to consider and approve major research, development and engineering proposals.

Capital Investment Committee

Capital Investment Committee Comprising an Independent Director, Director (Bangalore Complex), Director (Other Units) and Director (Finance) has been constituted to consider and approve major capital investment proposals.

The Company Secretary is the Secretary to all the Committees referred to above.

Investment Committee

Investment Committee comprising the Chairman & Managing Director, the Director (Other Units), and the Director (Finance) to approve investment of short-term surplus funds.

Appointments Committee

Appointments Committee comprising the Chairman & Managing Director and Whole-Time Directors of relevant

functional areas and one Part-Time Director for filling up vacancies in the posts of General Managers / Executive Directors.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 20 March 2015, inter alia, to review :

- i. The performance of Whole Time Directors and Chairman and Managing Director.
- ii. The performance of Non-Executive Directors.
- iii. Quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to perform its duties effectively.

All the Independent Directors of the Company were present at the said meeting.

Code of Conduct

Board of Directors of the Company has laid down a Code of Conduct for all Board members and senior management personnel of the Company under Clause 49 and DPE Guidelines. The Code of Conduct has been posted on the Company's website, www.bel-india.com. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct during the year 2014-15. A declaration to this effect signed by the Chairman & Managing Director is attached to this Report.

Whistle Blower Policy

The Company has established vigil mechanism and adopted whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or 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 Chairman, Audit Committee. The Whistle Blower Policy is available on the website of the Company www.bel-india.com.

Code for Prevention of Insider Trading and Fair Disclosure

In accordance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has put in place a Code of Conduct and Disclosure Procedure to prevent insider trading in the Company's securities and for transparent / streamlined disclosure / dissemination of information to the investors / public. This Code is applicable to all Directors, officers (top three tiers in all the Units / Offices of the Company), certain other specified employees at the Corporate Office and any other connected person as defined in the SEBI (Insider Trading Regulations) 2015. The Company Secretary is responsible for implementation of the Code. The Code of Conduct and Fair Disclosure Procedure has been posted in the Company's website www.bel-india.com.

Subsidiary Companies

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Board Meetings of Subsidiary Companies are tabled at the subsequent Board Meetings.

Compliance Officer

Mr. S Sreenivas, Company Secretary, is the Compliance Officer. Contact details of the Compliance Officer :

Mr S Sreenivas, Company Secretary
 Bharat Electronics Ltd,
 Regd. & Corp. Office, Outer Ring Road,
 Nagavara, Bengaluru – 560045
 Telephone : 080 25039300, Fax : 080 25039266
 Email : secretary@bel.co.in

General Body Meetings

Details of last three Annual General Meetings are as follows :

Year	Location	Date & Time
2011-12	Rashtrakavi Kuvempu Kalakshetra Near BEL Hospital & BEL Factory Jalahalli, Bengaluru – 560 013	21 Sept 2012 at 2.00 pm
2012-13	Rashtrakavi Kuvempu Kalakshetra Near BEL Hospital & BEL Factory Jalahalli, Bengaluru – 560 013	20 Sept 2013 at 2.30 pm
2013-14	Rashtrakavi Kuvempu Kalakshetra Near BEL Hospital & BEL Factory Jalahalli, Bengaluru – 560 013	25 Sept 2014 at 2.00 pm

All the resolutions, including special resolutions, set out in the respective notices of last three Annual General Meetings were passed by the shareholders. During the last three years, a Special Resolution in respect of Amendment of Articles of Association (for buy-back of shares) was passed in the Annual General Meeting held on 21 September 2012. No resolutions were put through postal ballot last year.

Disclosures

- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in point No. 15 of Note 30 of Notes to Accounts in the Annual Report.
- There were no cases of non-compliance by the Company and no penalties / strictures were imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets, in the last three years.
- No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees / ex-employees, towards fulfilling its Corporate Social Responsibility, were debited in books of accounts.
- 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.

- Administrative and office expenses as a percentage of total expenses and reasons for increase, if any :

Administrative and office expenses were 4.67% of the total expenses for the year 2014-15 as against 4.20% in the previous year. The increase is nominal.

Familiarisation & Training Programmes of Directors

At the time of induction of a new Director, a welcome letter is addressed to him 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, Clause 49 of the Listing Agreements with Stock Exchanges and other applicable regulations. Relevant Disclosures are taken from the Director and the management of the Company familiarises the new Director 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 practises and orientation programmes etc. conducted by various institutes of repute. During the previous year, two non-official Independent Directors and Director (Finance) were sponsored to attend 2-day training programme on Corporate Governance jointly organized by SCOPE under the aegis of DPE. Company will continue to depute its Directors for similar programmes in future.

Presidential Directives and Guidelines

The Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time regarding reservation for SCs, STs and OBCs in letter and spirit. Liaison Officers are appointed at various Units / Offices all over the Country to ensure implementation of the Govt. Directives. Officials dealing with the subject were provided necessary training to enable them to update their knowledge on the subject and perform their job effectively.

BEL has implemented the Presidential Directive issued by the Government of India regarding implementation of Executives Pay Revision effective from 1 Jan 2007.

Means of Communication

The quarterly and annual financial results of the Company are sent to the Stock Exchanges by e-mail and field on-line on BSE's portal / NSE's NEAPS portal, immediately after the Board has taken them on record. The quarterly unaudited financial results are published in one of the newspapers, i.e., Business Standard / Financial Express / Business Line / Mint (in English), Jan Satta / Business Standard / Rashtriya Sahara (in Hindi) and Samyuktha Karnataka (in Kannada).

The quarterly and annually unaudited / audited results are simultaneously posted on the Company's website, viz, www.bel-india.com. The Company has been filing all Corporate Announcements, quarterly results, shareholding pattern, other information submitted to the Stock Exchanges in terms of the Listing Agreements. Press releases / presentations made to analysts are also being sent to the Stock Exchanges and posted on the Company's website.

Reconciliation of Share Capital Audit

The Company obtains a Reconciliation of Share Capital Audit Report 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 the total issued and listed capital. This Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. This Audit Report is forwarded to all the Stock Exchanges where BEL shares are listed.

The Company also obtains a Certificate of Compliance from a practising Company Secretary at half-yearly intervals certifying that transfer requests complete in all respects have been processed and share certificates with transfer endorsements have been issued by the Company within 15 days from the date of lodgement thereof. This Certificate of Compliance is forwarded to all the Stock Exchanges where Company's shares are listed.

MCA - 21 Compliance

The e-governance initiative of the Ministry of Corporate Affairs in the administration of the Act (MCA-21) provides

the public, corporate entities and others an easy and secure online access to the corporate information including the filing of documents and public access to the information required to be in public domain under the statute, at any time and from anywhere. The Company has complied with all mandatory e-filing requirements under MCA-21 during financial year 2014-15.

Listing on Stock Exchanges

BEL's shares are currently listed on the following Stock Exchanges :

- (1) Bombay Stock Exchange Limited
25th Floor, 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 2014-15 and 2015-16 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
Bombay Stock Exchange Limited	500049
National Stock Exchange of India Ltd. BEL	
ISIN	INE263A01016
Corporate Identification Number (CIN)	L32309KA1954GOI000787

Note : Consequent to the SEBI order on voluntary surrender of registration of Bengaluru Stock Exchange, BEL exited from Bengaluru Stock Exchange with effect from 26 December 2014.

Custody Fees to Depositories

The Company has paid annual custody fees for the financial years 2014-15 to both the Depositories, viz, NSDL and CDSL.

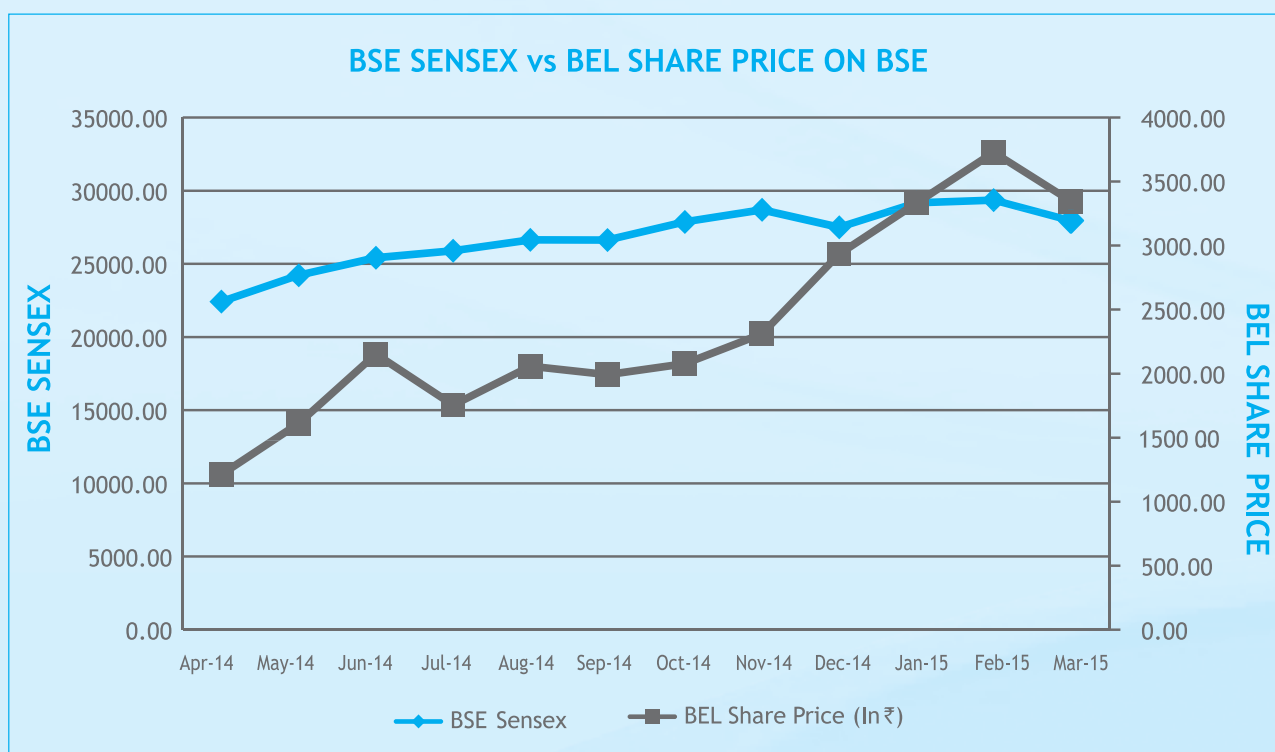
Market Price Data

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

BEL Share Price on BSE vis-a-vis BSE sensx from April, 2014 to March, 2015

Month	BSE Sensex Close	BEL Share Price			No of Shares Traded	Turnover (₹ in Lakhs)
		High (In ₹)	Low (In ₹)	Close (In ₹)		
Apr-14	22,417.80	1,269.00	1,040.00	1,213.05	180,849	2,120.88
May-14	24,217.34	1,741.60	1,193.70	1,611.45	497,149	7,615.49
Jun-14	25,413.78	2,185.00	1,623.30	2,152.85	802,753	14,978.54
Jul-14	25,894.97	2,320.00	1,712.95	1,754.10	456,921	8,959.11
Aug-14	26,638.11	2,212.00	1,721.00	2,058.80	496,029	9,896.84
Sep-14	26,630.51	2,235.00	1,970.00	1,992.55	476,173	10,002.64
Oct-14	27,865.83	2,234.00	1,971.10	2,077.35	195,743	4,060.82
Nov-14	28,693.99	2,374.85	2,050.00	2,310.95	501,105	11,370.55
Dec-14	27,499.42	3,140.00	2,289.50	2,933.30	990,338	27,557.33
Jan-15	29,182.95	3,570.00	2,797.75	3,332.30	954,750	30,778.22
Feb-15	29,361.50	4,140.00	3,263.70	3,727.90	1,253,889	46,980.20
Mar-15	27,957.49	3,759.00	3,082.00	3,347.25	759,372	25,700.05

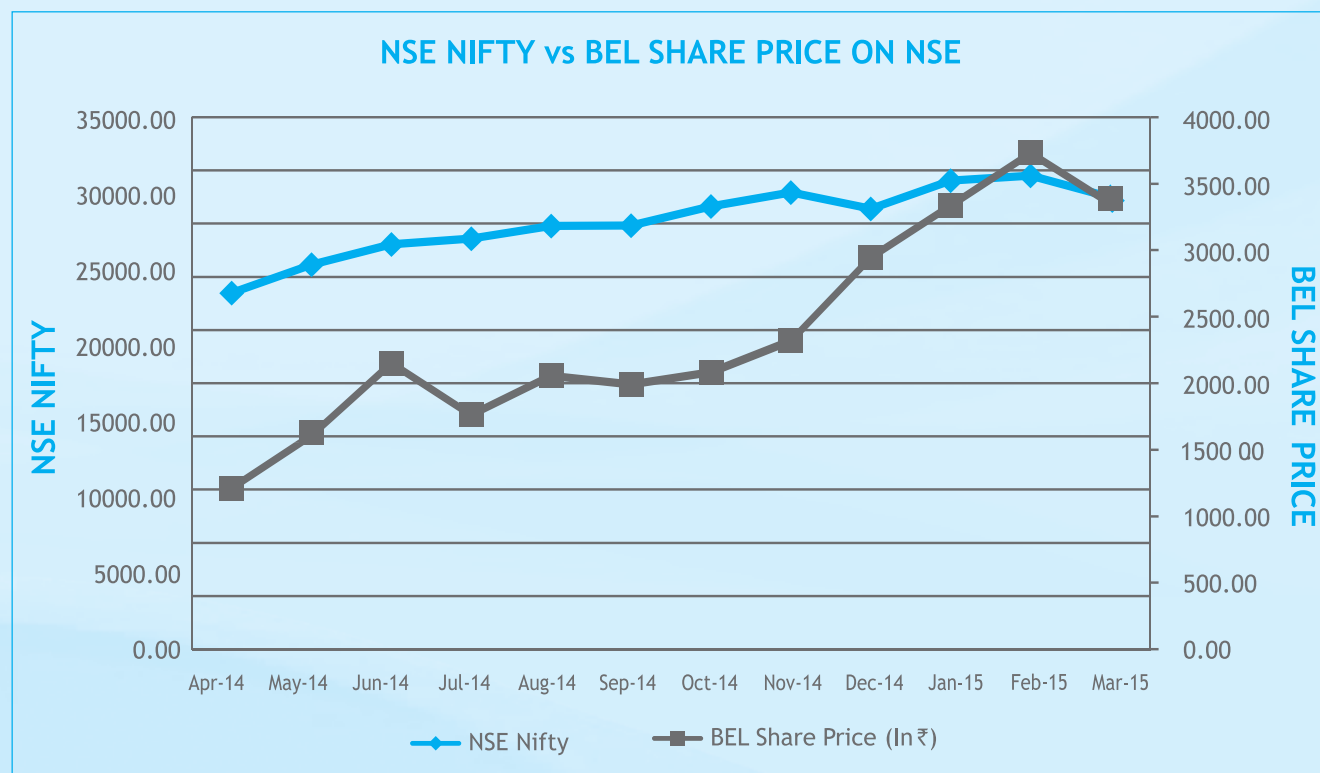
A comparison of closing quotation of the Company's share price on BSE with the closing position of BSE SENSEX during the year 2014-15 is presented in the following graph :



BEL Share Price on NSE vis-a-vis NSE Nifty from April 2014 to March 2015

Month	NSE Nifty Close	BEL Share Price			No. of Shares Traded	Turnover (₹ in Lakhs)
		High	Low	Close		
		(In ₹)	(In ₹)	(In ₹)		
Apr-14	6,696.40	1,270.90	1,035.05	1,210.60	1,652,100	19,349.43
May-14	7,229.95	1,740.00	1,192.05	1,607.60	3,491,765	52,188.40
Jun-14	7,611.35	2,185.00	1,620.00	2,151.20	2,986,871	56,363.11
Jul-14	7,721.30	2,318.00	1,702.60	1,762.25	3,090,178	60,477.35
Aug-14	7,954.35	2,210.00	1,701.15	2,056.80	2,792,868	55,250.63
Sep-14	7,964.80	2,239.00	1,964.00	1,990.10	2,883,983	60,489.93
Oct-14	8,322.20	2,243.00	1,976.00	2,083.65	1,581,473	32,572.91
Nov-14	8,588.25	2,375.00	2,052.05	2,321.65	2,503,940	56,685.43
Dec-14	8,282.70	3,140.75	2,285.00	2,947.55	5,897,601	164,357.02
Jan-15	8,808.90	3,574.00	2,613.00	3,337.95	6,198,161	199,705.94
Feb-15	8,901.85	4,144.90	3,264.35	3,731.65	7,345,455	275,983.82
Mar-15	8,491.00	3,760.00	3,082.00	3,350.50	4,773,504	160,849.93

A comparison of closing quotation of the Company's share price on NSE with the closing position of NSE NIFTY during the year 2014-15 is presented in the following graph :



Liquidity

The Company's shares are very liquid and are actively traded on the Indian stock exchanges. Relevant data of turnover for the financial year 2014-15 is given below :

Particulars	BSE	NSE	Total
No. of shares traded	83,25,756	4,51,97,899	5,35,23,655
Value (₹ in Lakhs)	2,17,529.91	11,94,273.90	14,11,803.81

Share Transfer

Integrated Enterprises (India) Ltd, Bengaluru, a SEBI registered Category I Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent. The RTA's address is given below to forward all share transfer / transmission / split / consolidation / issue of duplicate certificates / change of address requests as well as all dematerialisation / rematerialisation requests and related matters as well as all dividend related queries and complaints :

Integrated Enterprises (India) Ltd.

No. 30, Ramana Residency, 4th Cross

Sampige Road, Malleswaram

Bengaluru – 560 003

Telephone : 080 23460815 to 818 Fax : 080 23460819

Email : irg@integratedindia.in

Share Transfer System

Shares sent for transfer are registered within the stipulated time. Shares under objection are returned within the stipulated time seeking suitable rectification. The Company has constituted a Share Transfer Committee comprising the Chairman & Managing Director, the Director (Finance), and the Director (Other Units) to consider and approve all share transfer requests and related matters. The Share Transfer Committee meets periodically to approve the transfers within the specified time.

Shareholding Pattern as on 31 March 2015

Sl. No.	Category	No. of Share holders	No. of Shares	% Holding
1	Central Government	2	60,015,859	75.02
2	Mutual Funds / UTI	148	6,721,390	8.40
3	Financial Institutions / Banks	5	112,206	0.14

Sl. No.	Category	No. of Share holders	No. of Shares	% Holding
4	Insurance Companies	19	5,477,551	6.85
5	Foreign Institutional Investors	95	2,746,002	3.43
6	Bodies Corporate	935	2,417,218	3.02
7	Individuals	36,024	2,079,656	2.61
8	Trusts	4	7,075	0.01
9	NRIs	957	99,406	0.12
10	Clearing Members	393	323,637	0.40
	Total	38,582	80,000,000	100

Top 10 Shareholders other than Promotor(s) as on 31 March 2015

Sl. No.	Name	No. of Shares	% Holding
1	Life Insurance Corporation of India	4,476,641	5.6
2	Reliance Capital Trustee Co. Ltd. (Reliance equity)	750,720	0.94
3	HDFC Trustee Company Ltd (HDFC MID – CAOPPOR)	500,000	0.63
4	LIC Of India Market Plus Growth Fund	423,106	0.53
5	ICICI Prudential Value Discovery Fund	400,000	0.5
6	Life Insurance Corporation of India - ULIF00420091	390,715	0.49
7	Vanguard Emerging Markets Stock Index Fund	383,327	0.48
8	HDFC Trustee Company Limited - HDFC Tax Saver Fund	380,000	0.48
9	CPSE ETF	325,862	0.41
10	National Insurance Company Ltd.	291,510	0.36

Distribution of Shareholding as on 31 March 2015

No. of Equity Shares Held	No. of Share holders	%	No. of Shares	%
Up to 500	37,584	97.41	1,464,246	1.83
501 - 1000	420	1.09	327,042	0.41
1001 - 2000	197	0.51	292,314	0.37
2001 - 3000	81	0.21	205,428	0.26
3001 - 4000	41	0.11	145,611	0.18
4001 - 5000	39	0.10	180,082	0.23
5001 - 10,000	56	0.15	392,320	0.49
10001 and above	164	0.43	76,992,957	96.23
Total	38,582	100.00	80,000,000	100.00

Dematerialisation of Shares

99.98% of total equity shares of the Company is held by the investors in dematerialized form with NSDL and CDSL.

Outstanding GDRs / ADRs / Warrants : Not Applicable

Transfer to IEPF Account

During the year 2014-15, the Company transferred to the Fund an amount of ₹ 1,17,448 from the Unpaid Dividend Account (₹ 76,888, of final dividend 2006-07 and ₹ 40,560 of interim dividend 2007-08). The unclaimed / unpaid final dividend for the year 2007-08 and interim dividend for the year 2008-09 are due for transfer to the Fund in 2015-16. Notices to this effect have been sent to the respective shareholders to enable them to claim and receive the amount. The Company has posted on its website www.bel-india.com in a separate page titled "Information for Investors" the details of dividend payment since 2007-08 onwards and guidance information for claiming unpaid dividend. Shareholders are requested to make use of the claim form provided there to claim unpaid / unclaimed dividend.

Credit Rating

ICRA has reaffirmed the following credit ratings of the Company for 2015-16 :

- (i) Long-term rating of [ICRA]AAA (pronounced ICRA triple A) to ₹ 20,000 Lakhs fund based bank limits.
- (ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 270,000 Lakhs non-fund based bank limits.
- (iii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 500 Lakhs short-term debt programme.

The outlook on the long-term rating is 'stable'. These ratings indicate the highest credit quality in the long-term and short-term. The instruments rated in these categories carry the lowest credit risk in the long-term and short-term. These ratings (i) & (ii) are valid till 28 Feb 2016, and rating (iii) till 12 March 2016.

CEO / CFO Certification

In terms of the requirements of Clause 49 and DPE Guidelines, the CEO / CFO certificate has been obtained and placed before the Audit Committee and the Board.

Compliance

The Company has complied with the Corporate Governance norms / guidelines under Clause 49 and DPE Guidelines subject to the necessary clarifications furnished to Stock Exchanges. 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 Agreement with the Stock Exchanges, the Auditors' Certificate on compliance condition of Corporate Governance by the Company is attached.

DPE Grading

The DPE guidelines on Corporate Governance for CPSEs provide that the CPSEs would be graded on the basis of their compliance with the guidelines. DPE has graded BEL as "Excellent" for the year 2013-14.

Additional / General Information for Shareholders

Annual General Meeting

Date : 3 September 2015
 Time : 10.30 am
 Venue : The Kalinga Hall, Hotel Lalit Ashok,
 Kumara Krupa High Grounds,
 Bengaluru - 560 001.

Financial Calendar 2015-16

Financial Year : 1 April 2015 to 31 March 2016
 First quarter results : By end of July 2015
 Second quarter results : By end of Oct 2015
 Third quarter results : By end of Jan 2016
 Annual Audited results : By end of May 2016
 Annual General Meeting : September 2016

Book Closure

12 August 2015 to 14 August 2015 (both days inclusive).

Dividend Payment Date

Dividend will be paid within 30 days of declaration.

Plant Locations

- (1) Jalahalli Post
 Bengaluru – 560013 (Karnataka)
 Phone : (080) 28382626
 Fax : (080) 28382067
- (2) Site IV, Sahibabad Industrial Area,
 Bharat Nagar Post,
 Ghaziabad – 201010 (Uttar Pradesh)
 Phone : (0120) 2777707, 2813500, 2814000
 Fax : (0120) 2776730, 2776733, 2770923
- (3) Plot No.405, Industrial Area, Phase III,
 Panchkula – 134113 (Haryana)
 Phone : (0172) 3937252, 2591528, 3937400
 Fax : (0172) 2594548, 2591463
- (4) Balbhadrapur, Dist. Pauri Garhwal,
 Kotdwara – 246149,
 (Uttarakhand)
 Phone : (01382) 231171 to 231178
 Fax : (01382) 231132, 231135
- (5) Plot No.L-1, M.I.D.C. Industrial Area,
 Navi Mumbai – 410208
 (Maharashtra).
 Phone : (022) 27412701
 Fax : (022) 27412888, 27412887

- (6) N.D.A. Road, Pashan,
 Pune – 411021 (Maharashtra)
 Phone : (020) 25865400, 22903000
 Fax : (020) 25865577, 22903313
- (7) Industrial Estate, Nacharam,
 Hyderabad – 500076
 (Telangana)
 Phone : (040) 27194700
 Fax : (040) 27171406
- (8) Post Box No.26,
 Ravindranath Tagore Road,
 Machilipatnam – 521001
 (Andhra Pradesh).
 Phone : (08672) 223581, 223582
 Fax : (08672) 222640
- (9) Post Box No. 981,
 Nandambakkam,
 Chennai – 600089 (Tamil Nadu)
 Phone : (044) 22326906
 Fax : (044) 22326905

Registered Office / Address for Correspondence

Bharat Electronics Ltd
 CIN : L32309KA1954GOI000787
 Registered Office,
 Outer Ring Road, Nagavara,
 Bengaluru – 560 045
 Telephone : (080) 25039300
 Fax : (080) 25039233
 E-mail : secretary@bel.co.in
 Website : www.bel-india.com

DECLARATION

Pursuant to the relevant provisions under Clause 49 of the Listing Agreement with Stock Exchanges and the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises as contained in the DPE OM No. 18(8)/2005-GM dated 14 May 2010, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members & Senior Management of Bharat Electronics Ltd., for the year ended 31 March 2015.

For **Bharat Electronics Ltd**

Bengaluru
29 May 2015

Sunil Kumar Sharma
Chairman & Managing Director

Badari, Madhusudhan & Srinivasan
Chartered Accountants

132, Kantha Court, 2nd floor,
Lalbagh Road, Bengaluru – 560 027
Phone : 22277714, 41142536
Fax : 41248456
E-mail : bmscas@gmail.com
Website : www.bmscas.in

AUDITORS' CERTIFICATE

The Members,
Bharat Electronics Limited,
Nagavara, Outer Ring Road,
Bengaluru - 560 045.

We have examined the compliance of conditions of corporate governance by Bharat Electronics Limited, for the year ended on 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India and Department of Public Enterprises (DPE) guidelines on corporate governance for central public sector enterprises.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the guidance note on certification of corporate governance (as stipulated in clause 49 of the listing agreement), issued by Institute of Chartered Accountants of India and was limited to 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.

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 the above mentioned Listing Agreement and DPE guidelines. However, we observe that there were only three Independent Directors from 01 April 2013 to 30 July 2013, six Independent Directors from 01 August 2013 to 20 December 2013 and three Independent Directors from 21 December 2013 to 31 March 2015 on the Board, against the requirement of nine Independent Directors during the year. Further, we have to report that the filling up of the said Independent Directors vacancies is pending with the appointing authority namely Government of India.

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

We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Relations Committee.

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
FRN: 005389S

N K Madhusudhan
Partner
Membership Number: 020378

Bengaluru
29 May 2015

Annexure 7

Sustainability Report

Your Company is committed to achieving the economic, ecological and social responsibility objectives of sustainable development through its varied business operations and activities in a planned way by proactively undertaking Environment Management and Sustainable Development programmes. It has over the years acquired enough in-house expertise in the areas of Resource Management and Sustainable Development, including Water Management, Waste Management, Energy Conservation, Use of Non-Conventional Energy like Wind Energy, Solar Energy, etc. The Company strives to build on this expertise and further promotes sustainable development initiatives in its business operations and activities. The Company has formulated a Policy towards Sustainable Development to fulfill this objective and also keeping in view the requirement under the guidelines issued by Government of India, Department of Public Enterprises (DPE). Highlights of BEL's Sustainable Development policy are posted on its website : www.bel-india.com.

An overview of the Company's Environment Management and Sustainable Development efforts is provided in the following paragraphs.

Cleaner Technology

Cleaner technology concepts are practiced in the manufacturing process to prevent pollution. Our Research and Development Departments are always on the lookout for environmentally friendly components and processes. Our Corporate Standards has published several guidelines related to environment-friendly materials, components and manufacturing processes that go into designs to be used across the Company. Corporate standards have already begun standardisation and introduction of many RoHS (Restriction of Certain Hazardous Substance) items compliant to European and other International Directives. Continuing its efforts from the previous years, thirty two new RoHS compliant components have been introduced to cover areas like Inductors / LEDs / Connectors / Relays / Microcircuits and Microwave Components.

BEL understands that pollution prevention begins at the source. Keeping that in mind, several improvements and

modifications have been done in the existing processes in BEL. Many of the RoHS compliant processes have been introduced in PCB manufacturing and metal finishing processes, low smoke halogen cables, low VOC metal finishing operation (Poly urethane) and using alternative chemical in place of trichloroethylene in the degreasing process have been implemented. Cyanide plating has been replaced with a new eco friendly, cyanide free alkaline zinc plating process which eliminates hazardous chemical sodium cyanide.

Emission to Air

Air emissions from process are controlled through appropriate air pollution control equipment although the chemicals used in the manufacturing of electronics products are less polluting. The results are substantiated by the ambient air quality measured at different locations within the factory and Stack monitoring. In addition to air pollution control equipment provided for plating bath, suction filter are also provided at work station such solders fume. Efficient Wet paint booths with scrubbing facility have been created for painting big sheltered vehicles in addition to existing small equipment paint booths.

Water Pollution

Waste water generated during the manufacturing process are treated to meet Pollution Control Board norms. BEL has gone one step ahead to treat the wastewater to meet reusable standards and is recycled for purposes of production again. Likewise, domestic effluents generated are treated and recycled for horticulture purposes. In addition to reuse of treated wastewater BEL-Bangalore Complex is procuring 1 MLD tertiary treated sewage from Bengaluru Water Supply and Sewage Board (BWSSB) for horticulture application by which 1 MLD fresh water usage has been avoided.

Hazardous Waste Management System

Reduce and recycle principle is followed in handling of hazardous waste. The generation of hazardous waste has been reduced at the process level itself by the introduction of appropriate chemicals that generate less hazardous sludge in the process of detoxification of waste water and

by adopting cleaner technology. Besides, introduction of cyanide-free zinc and copper plating processes, use of sodium hydrides, sodium hypochlorite and sodium metabisulphate in place of lime, bleaching powder and ferrous sulphate, help in reduction of large volume of hazardous sludge. IPA recovery system also has been introduced by which generation hazardous waste has been reduced. Hazardous wastes generated are handled in a scientific way. Bharat Electronics has established a system for safe-keeping / handling of hazardous waste by constructing an exclusive, well-protected place for the safe-keeping of the hazardous waste. BEL has tied up with the State Pollution Control Board, "Treatment, Storage & Disposal Facility" operators for disposal of landfillable solid hazardous waste. Recyclable wastes are handed over to Pollution Control Board authorised agencies for scientific processing and recycling. This system effectively prevents pollution caused by hazardous wastes.

E- Waste Management

BEL's proactive initiative helped in the established compliance to E- waste (M & H) rules, 2011. E-waste generated is handed over to Pollution Control authorised agencies for scientific processing and recycling. Handling and disposal guidelines are provided along with instrument for safe disposal of E-waste after end of use. However E-waste generated during the manufacturing process is handed over to Pollution Control Board authorised agencies for scientific processing and recovery.

Biomedical Waste

Biomedical wastes generated in the BEL hospital and medical centres are collected and disposed of scientifically as per regulatory guidelines.

Solid Waste Management

BEL has established a system to segregate waste generated at the source itself for facilitating scientific disposal of municipal solid waste. Organic waste converter has been introduced for treating municipal solid waste into manure in addition to use of Bio-methanisation plan. Land fillable wastes are being sent for processing at a well-established solid waste treatment facility in Bengaluru. There is a concerted effort to reduce, recycle, reuse waste so that

paper and plastic can be recycled and reused rather than sent to landfills. BEL has been participating in recycling of paper and plastic waste with M/s. ITC Wealth Out of Waste scheme (WOW). This has resulted in recycling of 368,800 kg paper, in turn saving of 8,114 trees, energy and water.

On Site Emergency Plan and Systems

Emergency preparedness and response plans exist at the plant level and workplace level, 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 :

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

And the sequence of events are recorded for improving the mock drill exercise while the Planning is monitored by the high officials of the organization.

Incident controllers go to the accident site and co-ordinate with rescue teams and take steps to restore normalcy after the incident, if any.

Water Management

Water conservation measures are achieved through the outcome of water audit. Several water conservation projects like automation of desmearing process for demand based water supply, automation of bore well water drawing system, level controller for water tanks, efficient dish washing system and the use of swill water with air agitation are implemented for conserving water. Implementation of these water conservation projects have led to a consistent reduction of water consumption each year. Rainwater harvesting and innovative recharging of bore wells enable us to collect the runoff water and recharge the ground water table. The large-scale rainwater harvesting reservoir at Bengaluru unit has a capacity of 170 million litres with expected an annual recharge capacity of 234 ML. Roof top rainwater harvesting had collected 1050 m³ of rainwater

in the last year which was directly used for the generation of RO water. In addition, the Reverse Osmosis (RO) waste recovery system installed recovered about 5,634 m³/annum.

Sustainable development Initiatives

BEL has taken up sustainable development projects in the areas of air conditioning, air compressor, lighting management system, natural day light harvesting, carbon footprint and water footprint. Incorporation of Green building concept have been introduced in all new buildings and, all future buildings are going to meet Green Rating for Integrated Habitat Assessment (GRIHA) rating compliance.

BEL has established a systematic approach for conservation of natural resources. Major focus revolves around saving power, water and enhancing greenery and other several initiatives have been taken in this regard. 31% of energy consumption during the last year is from wind energy of 5.5 MW. Additional 8.4 MW of wind energy is being established in Davanegere for which order has been placed. This will result in about 90% total energy consumption of Bangalore Complex from renewable energy in addition to other energy conservation measures like HVAC automation, LED street lighting, solar PV plant, Dali based lighting management system, star rated split AC's and energy efficient transformers.

Generation of wind energy (Green Energy) through 2.5 MW and 3 MW capacity windmills thereby reducing the release of Green House Gases into the atmosphere. With a total capacity of 5.5 MW wind energy plants 8,303,435 units wheeled during 2014-15 and expected generation during 2015-16 will be around 9,000,000 units.

Ecological Sustainability

We pursue our journey towards Ecological Sustainability, verdant greenery, right from the entrance of the BEL campus. Around 130,000 different species of plants are grown in the campus that are home to a variety of birds and other creatures supported by fruit and flower bearing plants. Even open areas are covered with lawns and shrubs, around 374,000 square metres of lawns and 23,000 metre hedges are nurtured in the campus. The green carpet helps in arresting dust, absorbing heat, carbon sink and release of fresh oxygen. Lush, green plantations, spread over 170 acres of land stand as a testimony for Companies commitment to afforestation.

BEL Bangalore Complex has taken the novel step of transplanting as many as 108 trees that would otherwise have been cut. These transplanted trees are growing very well. BEL has planted around 2,000 trees against its afforestation programme. Transplantation of 100 Trees in Estate area of Bengaluru Complex on 31 January 2015. Inauguration of Swachh Bharat Campaign at BEL Bangalore Complex by Planting saplings of about 800 to existing plantation in Township Area. We are nurturing lawn area of 374,000 Square Meter and 23,000 meters hedges and more than 130,000 trees in our 685 acres of green campus. We have planned for planting another 2,500 trees in the coming year.

OHSAS 18001(2007)

BEL cares for the well-being of its workforce as well. Construction divisions follow implementation guidelines of OHSAS 18001(2007) to address occupational and safety issues.

Annexure 8

Business Responsibility Report

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 - 560 045
4. Website : www.bel-india.com
5. E-mail id : secretary@bel.co.in
6. Financial Year reported : 2014- 15
7. Sector(s) that the Company is engaged in (industrial activity code - wise) : Radar & Communication Equipment
Electro - Optic Equipment
Electronic Components
8. List three key products / services that the Company manufactures / provides (as in balance sheet) :
 - i. Radars
 - ii. Communication Transmitters - cum - Receivers
 - iii. Electro - Optic Products
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 : New York (USA) and Singapore
 - ii. Number of National Locations :
Manufacturing Units at : Bengaluru (Karnataka), Ghaziabad (Uttar Pradesh), Panchkula (Haryana), Kotdwara (Uttarakhand), Pune and Navi Mumbai (Maharashtra), Hyderabad (Telangana), 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 (INR) : ₹ 8,000 Lakhs
2. Total Turnover (INR) : ₹ 669,456.53 Lakhs
3. Total Profit After Taxes (INR) : ₹ 116,724.09 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) (including amount set aside) as percentage of profit after tax (%) : 1.97%, ₹ 2,303.93 Lakhs
5. List of activities in which expenditure in 4 above has been incurred :- (Refer to the Annexure-1 on CSR activities)

Section C : Other Details

1. Does the Company have any Subsidiary Company / Companies?
Yes.
i. BEL Optronics Devices Ltd, Pune
ii. BEL-THALES Systems Ltd, Bengaluru
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)?
No
3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]?

Outsourcing activity in the Company is governed by well established procedure. As Quality, Delivery and Cost are of prime importance, extreme care is taken in the selection and establishment of blemish free vendors. There is a Vendor Evaluation Committee in place and the broad activities of the Committee include Assessment of Capabilities & Infrastructure, Quality Accreditations,

Environmental Certifications, Vendors Client List and their registration with the Vendor, Bankers' details, vendors' credentials etc. The vendors fulfilling these conditions will only be included in the Approved Vendor Directory (AVD) of the Company.

Besides, the standard terms & conditions in the purchase order clearly specifies conformance to safety, handling & environment. The Company also has introduced e-Procurement, e-Payment to vendors, Integrity Pact etc., to further ensure transparency and fair business practices. Based on the vendor rating mechanism, feedback is provided to suppliers with regard to Quality, Cost, Delivery & Performance. To summarize, majority (more than 60%) of the vendors available in the AVD conform to key principles of Business Responsibility.

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 : 00058949
Name : Mr M L Shanmukh
Designation : Director (Human Resources)

- b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN (if applicable)	00058949
2.	Name	Mr M L Shanmukh
3.	Designation	Director (Human Resources)
4.	Telephone number	080-25039205
5.	e-mail id	shanmukhml@bel.co.in

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.								

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3	Does the policy conform to any national / international standards? If yes, specify?	Policy conforms to SEBI guidelines on "BR Reports" for listed entities and the Ministry of Corporate Affairs 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Policy approved by the management and issued as Office Order for compliance by employees at all level across the Company. Yes. (File approval obtained from Chairman & Managing Director)								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Yes. Director (Human Resources)								
6	Indicate the link for the policy to be viewed online?	Policy posted on Company website : www.bel-india.com under "Information for Investors"								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Communicated to all internal stakeholders.								
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?	No. Policy formulated in January, 2013. Audit / evaluation will be carried out in subsequent years.								

2a. If answer to S.No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable as the Company has formulated policies based on all the nine Principles.								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

Company formulated its BR Reports policy in January 2013. BR performance will be reviewed in subsequent years after watching the implementation in the initial years.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. Company publishes BR Report and Sustainability Report as part of its Annual Report and posts the same on its **website : www.bel-india.com** under "Information for Investors".

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?

The policy covers the Company. In addition, the Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹ 500 Lakhs and above. The pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (BEL), committing the Persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors / bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

Details of complaint handling data are appended in the table below. In Bharat Electronics, there is constant effort to enhance customer satisfaction level. Accordingly, many initiatives have been taken to address product support issues effectively. Product Support Monitoring Groups have been established across the Company to address all supportability issues. Dedicated Additional General Managers appointed for Army, Navy and Air Force for monitoring progress on Complaint Handling. Customer Co-ordination Cell has been set up at Bengaluru for registration of complaints. The facility is armed with Toll Free BSNL / MTNL number along with CRM module of SAP connected through internet. Our customers can log-in to the Customer Coordination Cell and register complaints. Also, the CRM module helps the customer to track progress on complaint online by

getting Unique Identification Number for the registered complaint. The cell generates monthly report on summary of complaints for management.

Summary of Complaints for the Financial year 2014-15 :

No. of Complaints Registered	No. of Complaints Resolved	No. of Complaints Pending
5,414	4,972 (91.8%)	442 (8.2%)

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The following products are designed to address Social / Environmental concerns.

- i. Solar Traffic Signal
- ii. Jammers
- iii. X ray baggage machine

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?

Such product specific information not captured. Provision of this information is optional.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes

- i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

Environmental policy of the Company addresses conservation of natural resources. It is being followed across the Company from design to disposal of the product and infrastructure developmental activities, including sourcing of transport. Substantial

efforts have been made in sourcing energy efficient equipments, also in identifying and replacing energy deterrent equipments to enhance energy conservation. All new facilities were designed for energy efficient compliance to GREEN BUILDING CERTIFICATION SERVICES.

The Company has set stringent criteria for qualifying approved vendors to be included in the Company's Approved Vendor Directory (AVD) with the objective of sustainable sourcing and mutual long term benefit. The Company hand holds such vendors by regularly monitoring their performances on various parameters including quality, cost and delivery. The Company regularly conducts vendors' / partnership meets to address concerns, if any, to ensure sustainable sourcing.

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

BEL is engaged in the design, manufacture & supply of Strategic Electronics Products / Systems primarily for the defence requirements as well as for select non-defence markets. Nearly one third of the total turnover is generated from indigenously developed products.

In order to increase indigenization content & to encourage Micro, Small & Medium Enterprises (MSMEs), BEL is outsourcing various items and services required for products to be supplied to defence forces. The common input materials like Electronic Components & Sub-systems, Mechanical Items, Wires & Cables, Chemicals & Paints, PCB Assemblies, Fasteners, Raw Materials, Plastic Items, Office Furniture, Hand Tools, Installation & Commissioning, Annual Maintenance Contract Services etc., are being procured from MSMEs.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

A detailed procedure for Registration of vendors is covered in Company's well- established Purchase procedure and the same is made available in Company's official website to have easy access to vendors. The website also covers information regarding payments, tenders floated,

contracts awarded, etc. An Industry promotion officer is nominated to assist vendors regarding procedure for registration, understanding the requirements of BEL, report grievances, if any, etc. The name of contact person, address, e-mail ID, Telephone No. etc is mentioned in our official website. As consortium approach, Company has been executing various projects through Public-Private Partnership. This business model has evolved vendors as partners and complemented each other in bringing out the state-of the art products / systems in defence. On an average, every year, Company includes 1,300 new vendors in the Approved Vendor Directory (AVD) out of which majority are indigenous vendors i.e., 753 new Domestic Manufacturing Vendors (DMV) were added during the year 2014-15. This signifies the efforts of the Company to encourage indigenous participation. Introduction of e-procurement to bring in fairness & enhanced transparency in procurement is also one of the efforts in this direction.

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 its products, since most of the products are used in strategic / national security applications. Products are not returned to the Company once it is handed over to the customers.

Company has well established mechanism to channelize for disposal of waste generated during the manufacture of product / equipment through authorized recyclers / handlers. Metal wastes, Used Oil, Solvents and Copper bearing Etchants are totally (100%) sent to authorized recyclers for recycling and recovery.

Wastewater generated during the manufacturing are treated and totally (100%) recycled water is being used for production purposes.

Principle 3

1. Please indicate the Total number of employees : 9,703
2. Please indicate the Total number of employees hired on Contractual basis : 3,822

3. Please indicate the Number of permanent women employees : 1,997
4. Please indicate the Number of permanent employees with disabilities : 234
5. Do you have an employee association that is recognized by management? : Yes
6. What percentage of your permanent employees is members of this recognized employee association? : 93%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?
 - Yes
 - (i) SC/ST employees
 - (ii) Employees with disabilities
 - (iii) Women employees
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	One	Nil
3.	Discriminatory employment	Nil	Nil

Special Initiatives for SC / ST employees and their children : With a view to encourage and provide financial assistance to meritorious children of SC / ST employees, Management has instituted a scholarship in the name of Late Prime Minister Shri Jawaharlal Nehru for pursuing professional courses besides Diploma / Certified courses including ITI certified course.

A Study facility centre was started for the upliftment of the children of SC / ST employees who have inadequate parental care and improper facilities to study at their homes. A new building with all 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 including 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 organization

BEL has been organising a number of programmes related to creating health awareness among women employees. Free health checkups are conducted in coordination with other hospitals. In addition, programmes are conducted on enhancing awareness on nutrition, diet, life style management, etc.

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

Sl. No.	Category	% of Persons trained on Safety Aspects	% of Persons trained for skill up-gradation
1.	Permanent Employees	19	40
2.	Permanent Women Employees	13	50
3.	Contract Employees	11	1
4.	Employees with Disability	14	36

Principle 4

1. Has the Company mapped its internal and external stakeholders? : Yes

Special initiatives for Employees with disabilities : BEL extends special allowance and facilities for Persons with disabilities which include free transport, conveyance allowance for physically handicapped employees who do not use Company's transport, special ramps within the factory for movement of disabled persons, special toilets have been provided wherever required, grace time to record attendance and individuals are permitted to take their vehicles upto the place of work. Appliances such as hearing aids, calipers, aluminum folding sticks etc, for orthopedically handicapped, hearing and visually handicapped are also 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 BEL. Thus, Human Rights are a fundamental precept of all the Company 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 BEL and covers the entire spectrum of BEL'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? : NIL

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

Covers the Company. In addition, Company promotes customer awareness in environmental management to minimize impact on environment during usage of the Company's Products. The Company also persuades and encourages its business partners / vendors / contractors to move towards environmental friendly processes, right from design to disposal.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.

Yes. The Company address issues such as climate change, global warming through energy conservation measures, like energy efficient chillers, lighting management system, building management systems. There is a thrust to use renewable energy resources such as wind and solar for energy generation and captive consumption

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

Yes. This is well established as a part of environment management system based on ISO14001 standards.

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 capacity wind mill at Davanagare 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 2014-15 and cumulative from inception of these are provided below :

DAVANAGARE 2.5 MW wind energy power plant (0.5 MW X 5 Nos.)

- | | |
|--|--------------------|
| a. Total Generation during 2014-15 | : 3,601,350 |
| | kWhrs |
| b. Total wheeled energy during 2014-15 | : 3,253,593 |
| | kWhrs |
| c. Reduction in CO ₂ emission | : 3,264 tons |
| | of CO ₂ |
| | equivalents |
| d. Carbon Credits | : 15,856 CERs |
| e. Cumulative wheeled from inception | : 265,90,875 |
| | kWhrs |
| f. Cumulative CO ₂ emission reduction | : 29,407 tons |
| | of CO ₂ |
| | equivalents |

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

- Total Generation during 2014-15 : 5,585,700 kWhrs
- Total wheeled energy during 2014-15 : 5,049,842 kWhrs
- Reduction in CO₂ emission : 5,065 tons of CO₂ equivalents
- Carbon Credits : Registered with UNFCC
- Cumulative wheeled from inception : 32,552,116 kWhrs
- Cumulative CO₂ emission reduction : 41,805 tons of CO₂ equivalents

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. 31% of energy consumption during the last year is from wind energy of 5.5 MW. Additional 8.4 MW of wind energy is proposed with placement of orders for establishing during the year 2015-16. This will results in meeting about 90% of total energy consumption of BG Cx from renewable energy in addition to other energy conservation measures like HVAC automation, LED street lighting, solar PV plant, Dali based lighting management system, star rated split AC's and energy efficient transformers etc.

As a part of environmental initiative, 32 new RoHS compliant components, Two environmental friendly Aqueous and Solvent Based alternatives to Trichloro Ethylene (TCE) for metal degreasing and eco friendly cyanide free alkaline zinc plating process were introduced.

Incorporation of Green building concept has been introduced in all new buildings and all future buildings are going to meet Green Rating for Integrated Habitat Assessment (GRIHA) rating compliance.

Transplantation of 100 Trees in Estate area of Bengaluru Complex on 31 January 2015 is an remarkable achievement.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. This is being closely monitored and reported.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year : NIL

Principle 7

- Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :
 - Federation of Indian Chambers of Commerce & Industry (FICCI)
 - Standing Conference Of Public Enterprises (SCOPE)
 - Confederation of Indian Industry (CII)
 - Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- 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).

Whenever Policy guidelines are issued, the Company has been providing its suggestions to the Government and above Trade / Chamber Associations. Company officials have also been attending seminars / workshops organized by these apex organizations for facilitating views on the Policies.

Principle 8

- Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company had established the Revised CSR Policy on 16 June 2014, in line with the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, which had come into effect

from 01 April 2014. The Company is pursuing its cherished value of endeavoring to fulfill its Corporate Social Responsibilities.

A three tier structure has been established to identify and implement CSR programmes / projects focused towards community development.

Tier-1 :

The CSR Board level Committee is headed by CMD and the members are Director (Human Resources), Director (Other Units), Director (Finance) and an Independent Director.

Tier-2 :

The CSR Apex Committee is headed by a Director (Other Units) and the members are Head, HR/CO, Head, HR/BG and Head, ES/BG.

Tier-3 :

The CSR Working level Committee is headed by Executive Director, HR/CO., who is also the Nodal Officer to facilitate implementation, reporting and co-ordination of CSR projects throughout the Company.

The programmes / initiatives / projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which are duly incorporated in our Revised CSR policy and forms the guiding principle for all our programmes.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organization?

All the CSR initiatives in the Company are taken up through in-house team. The CSR initiatives being pursued by the Company are broadly in the following areas :

- Sanitation
- Health Care
- Education
- Vocational Skill Development
- Rural Development
- Environment Protection

3. Have you done any impact assessment of your initiative?

The programmes / projects are generally chosen in the neighborhood of the Company's Units. These programmes / projects are implemented by the in-house teams of the Company under the direct supervision of the Apex Committee. During the year 2013-14 as per the DPE guidelines, then extant, BEL adopted 3 Gram Panchayats (viz., Malhar, Madhwar & Kadechur) of Yadgir District of Karnataka State (most backward district of Karnataka State as identified by the Planning Commission, Govt. of India) for implementing various programmes / projects under its CSR initiatives. A Baseline Survey was carried out by the 'Institute of Social & Economic Change' (ISEC), Bengaluru on behalf of BEL. Many CSR initiatives are already undertaken during 2013-14 and 2014-15. The impact assessment of these various programmes / projects implemented by the Company during the years is planned to be taken up in the latter half of 2015-16 in order to assess the benefits to the local populace.

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 2014-15, an amount of ₹ 2,303.85 Lakhs was set aside by the Company on various CSR programmes / projects. Some of the key programmes undertaken during the year are given in the **Annexure-1** on CSR activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

Consequent to the implementation of our new initiatives on CSR programmes in 3 Gram Panchayats of Yadgir District (most backward district) of Karnataka State, various community development programmes in the areas of education, health care, environment protection and rural development have already been implemented in association with the District Administration and local communities. These programmes are likely to make an impact on the lives of the rural people and accelerate the development of the District.

The Various programmes are :

- Education
 - * Construction of classrooms, toilets and providing classroom furniture
 - * Construction of Science Labs, Computer Labs and libraries
- Health Care
 - * Infrastructure augmentation including medical equipment
 - * Provisions for clean drinking water for students
- Skill Development
 - * Skill training to youth of villages for livelihood Sustainable Development
 - * Greening of unused tracts of Land Rural Development
 - * Construction of Roads in rural areas

Principle 9

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

There are a total of 442 complaints pending as on 31 March 2015. This amounts to 8.2% percent of total complaints registered. Handling customer complaint is ongoing process. The Company will attend defects

in such a way that the down time of the equipment is minimal. Our product support teams are located very close to the location of the products and will be able to reach out in short span of time. There are no legal cases pending as on 31 March 2015.

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).

BEL being a Defence 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 stake holder in this financial year i.e. 2014-15 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.

Annexure 9

Information required to be disclosed in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo.

A. Conservation of Energy

(i) Energy conservation measures taken during the year 2014-15.

- Energy efficient centrifugal air compressor for meeting compressed air requirements.
- Introduction of VRV based Air conditioning of total capacity 100HP for new buildings.
- Energy efficient motors for pumps, blowers, variable frequency drives for motors and centrifugal fans of cooling towers.
- Usage of energy efficient 5 star rated split air conditioners and cold storage units.
- Energy audit of Air compressor plants and arresting air leakages by periodic monitoring and optimizing compressed air system operation.
- Energy efficient screw chillers in AC plants for meeting variable cooling load demand.
- DALI based Lighting Management System with occupancy based lighting controls and daylight harvesting at new buildings.
- Installation of LED Street lighting, Area lighting and LED indoor lighting for energy saving.
- Optimization of Air conditioning areas and usage of portable chillers to minimize energy wastage.

(ii) The steps taken by the Company for utilising alternate sources of energy.

1. Wind energy generation through 5.5 MW wind power plants installed at Davanagere and Hassan, Karnataka state for captive consumption, which contributes to 31% of energy consumed by Bengaluru Complex.
2. Grid connect roof top solar PV power plant of 29.9 kWp capacity at new management of

Banagalore Complex, which contributes to 7% of the building energy needs.

(iii) The capital investment on energy conservation equipments.

Capital investments on energy conservation equipments made during the year for implementing the measures was around ₹ 174 Lakhs.

B. Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation & innovation.

R&D divisions of BEL take interest in the absorption of State-of-Art Technologies in the areas of BEL's business acquired either through indigenous or imported routes other than its own in-house developments.

In respect of indigenous technologies, BEL R&D divisions have worked closely with various Defence Research and Development Organizations (DRDO) Laboratories, other National Laboratories, Private design houses, Academic institutions etc., for either technology absorption of state-of-art products developed by them or by taking up of joint development programmes with them.

During 2014-15, R&D Engineers of BEL have completed development of products like Akash Missile system for Army, Commander's TI Sight for T-90, & T 72, EO system for ICSS, Uncooled TI based driver sights for MBT Arjun, ToT absorption of IFF system with DRDO.

2. Benefits derived as a result of the above efforts.

BEL Engineers are able to absorb the indigenous technologies as a result of close interactions with DRDO and other National Labs. This helps to commercialise the products at BEL and provide product support to the customers. BEL Engineers try to bring out updates of the existing technologies

and apply the technologies acquired in different applications. All these efforts help to commercialise state-of-art Technologies for the customers, develop further business, saves foreign exchange and promotes self reliance.

3. Information regarding Technology imported during the last 5 years.

During the last 5 years, certain Technologies of interest from various Countries have been imported and productionised at BEL and brought to the level of indigenous manufacture for cost reduction and improving indigenous content. BEL Engineers make efforts to absorb / assimilate the imported Technologies to provide necessary product support to the customers, try to bring out updates for these products and apply the knowledge gained

in the development of new products for business development.

4. Expenditure on R & D.

During 2014-15, BEL has spent a sum of ₹ 54,894.58 Lakhs on R&D. The expenditure on Revenue account was ₹ 49,503.46 Lakhs and on Capital account was ₹ 5,391.12 Lakhs. The total expenditure as percentage of turnover during the year was 8.20%.

C. Foreign Exchange Earnings and Outgo

Detailed information on export has been provided in the Boards' Report. Foreign Exchange Earnings on account of export was ₹ 35,847.41 Lakhs as against ₹ 24,622.48 Lakhs in the previous year. Foreign Exchange Outgo was ₹ 184,655.75 Lakhs as against ₹ 167,139.67 Lakhs in the previous year.

Independent Auditor's Report

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED,

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of BHARAT ELECTRONICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide

a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements of the company for the year ended 31 March 2015 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015.
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Other Matters

- a) 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 ₹ 280,137.10 lakhs as at 31 March 2015 and total revenues of ₹ 209,021.17 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 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.
- b) We draw attention to Note No. 30(6) regarding disclosures required under Para 5 of Part II to Schedule III of the Companies Act, 2013(under General Instructions for preparation of Statement of Profit and Loss) [erstwhile Para 5 of Part II to Schedule VI of the Companies Act, 1956(under General Instructions for preparation of Statement of Profit and Loss)].
- c) We draw attention to Note No. 30(13) regarding disclosure of segment information as required under AS-17.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2015, issued by the Central Government in terms of sub-section 11 of section 143 of the Act and based on the comments in the auditors' report of the respective branches, we give in the annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
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 Bengaluru, Hyderabad and Chennai branches and Corporate Office has been carried out by us. In the case of New York and Singapore Offices and other offices not visited by us, and in respect of which the accounts are maintained at Corporate Office, 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 branches 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read

with Rule 7 of the Companies (Accounts) Rules, 2014.

- f) On the basis of the written representations received from the directors as at 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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— Refer Note 30(8).
- ii. We are given to understand that the Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Badari, Madhusudhan & Srinivasan**

Chartered Accountants

Firm Registration Number : 005389S

N. SRINIVASAN

Partner

Membership No. 027887

Bengaluru
29 May 2015

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT (Referred to in Report on Other Legal & Regulatory Requirement)

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation 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 business and discrepancies, if any, were properly dealt with on such verification during the year.

(ii) (a) The raw materials, stores and spare parts, tools, work-in-progress, semi-finished goods and finished goods inventory(excluding stock with third parties and material in transit) have been physically verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is maintaining proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material, and has been dealt with properly in the books of account.

In respect of materials with sub-contractors, confirmations have been received generally 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 account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured

or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, clause (iii)(a) & (b) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate within the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services. During the course of our audit, no major weaknesses in the internal controls have been noticed.

(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. All deposits have matured and settled except for ₹ 36.95 lakhs, out of which ₹ 36.50 lakhs is retained as per Garnishee Order of Lokayukta, Bengaluru and the balance of ₹ 0.45 lakhs though matured is unpaid due to legal issues.

In our opinion and according to the information and explanations given to us and based on our examination of records, the Company has complied with the provisions of Section 73 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

(vi) The Company pursuant to sub-section (1) of section 148 of the Companies Act for the maintenance and audit of cost records prescribed by the Central Government has maintained cost records. We are of the opinion that prima facie the prescribed cost accounts and cost records have been made and maintained. We have not however made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) The Company is regular in remittance of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues. According to the information and explanation given to us, no undisputed statutory dues are outstanding as at 31 March 2015, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed amounts that remain unpaid as at 31 March 2015 for a period of more than six months from the date they became payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues with the exception of the following :

Name of Statute	Nature of Dues	Financial year to which amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Sales Tax Act, Bihar	Sales Tax	1995-97	66.44	Commissioner of Commercial Tax (Appeals), Chirkunda, Bihar
Central Sales Act, 1956	Sales Tax	2005-06 to 2012-13	1,683.63	JC(Appeals)
Karnataka VAT Act, 2003	Sales Tax	2006-07 to 2011-12	554.11	JC(Appeals)
Finance Act 1994 Service Tax	Service Tax	2009-10	103.38	CESTAT
Finance Act 1994 Service Tax	Revisionary Show cause Notice	2008-09	34.01	Commissioner
Central Excise Act	Modvat credit	1991-92	23.65	Dy. Commissioner
Central Excise Act	Excise Duty	1991-92	6.04	Commissioner (Appeals)
Central Excise Tax	Excise duty	1991-92	8.67	Commissioner
Central Excise Tax	Excise duty	1991-92	0.20	Commissioner
Customs Act	Custom Duty	2012-13	103.52	CESTAT
VAT Act	APVAT	2005-06 to 2007-08	46.58	Sales Tax Appellate Tribunal
VAT Act	APVAT	2013-14	134.10	ADC (Appeals)
CST	CST	2005-06 to 2007-08	1,346.14	Sales Tax Appellate Tribunal
CST	CST	2011-12	834.73	ADC (Appeals)
Finance Act 1994- Service Tax	Service Tax	2007-08	10.58	CESTAT
Sales Tax Act	Sales Tax	2007-08 to 2009-10	48.00	Appellate Authority
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, Chennai.
Sales Tax	Sales Tax dues & benefit of Concessional Form C	1980-81	8.63	Case remanded to Deputy Commissioner (Appeal)

Name of Statute	Nature of Dues	Financial year to which amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Sales Tax	Benefit of concessional Form D not allowed	1989-90	2.47	Case remanded to AC(Appeal)
Sales Tax	Acceptance of Duplicate Copy of 3D(1)	1991-92	1.32	Appeal Filed with DC (Appeal) for acceptances of duplicate copy of 3D(1)
ESI ACT,1984	Interest and damage to late deposit	1996-97	3.52	Punjab & Haryana High Court Chandigarh
Sales Tax Act	Sales Tax Act	2008-09	260.48	Joint commissioner (Appeals)
		2009-10	242.89	Joint commissioner (Appeals)
		2008-09	112.93	Dy. Commissioner (Appeals)
Sales Tax	Trade Tax dues	2001-02	220.08	Uttarakhand high court Nainital
Sales Tax	Trade Tax dues	2000-01	141.08	Uttarakhand high court Nainital
Total disputed amount			6048.99	
Total amount paid under protest pending final order			1068.25	

- (c) The requirement of transfer to investor education and protection fund is in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) On the basis of examination of records of the Company and information and explanations given to us, the Company has not defaulted in repayment of dues to a bank, financial institution or others
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- (xi) The Company has not availed any term loan and hence, this clause is not applicable.
- (xii) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported, during the year nor have we been informed of any such case by the Management, that causes the standalone financial statements to be materially misstated.

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Registration Number : 005389S

N. SRINIVASAN

Partner

Membership No. 027887

Bengaluru
29 May 2015



To

Shri S.K. Sharma,
 Chairman and Managing Director,
 Bharat Electronics Limited,
 Outer Ring Rd, Kanaka Nagar,
 Nagavara, Bangalore.
 Bangalore-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 consolidated and standalone financial statements of M/s. Bharat Electronics Limited, Bengaluru for the year ended 31.3.2015.

I forward herewith **Nil Comments Certificates** 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 and standalone financial statements of **M/s. Bharat Electronics Limited, Bengaluru** for the year ended 31 March, 2015.

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,



(V.K. GIRIJAVALLABHAN)

Pr. Director of Commercial Audit

Encl: As above.

भारतीय लेखा तथा लेखापरीक्षा विभाग
 INDIAN AUDIT & ACCOUNTS DEPARTMENT
 पहला तल, बसव भवन, श्री बसवेश्वर रोड, बंगलूर - 560 001
 1st Floor, Basava Bhavan, Sri Basaveswara Road, Bangalore - 560 001

टू फोन / Phone : 2226 7646 / 2226 1168

Email : mabbangalore@icag.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 M/S. BHARAT ELECTRONICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of consolidated financial statements of M/s.Bharat Electronics Limited, Bengaluru for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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) read with section 129(4) of the Act is 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 standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of M/s. Bharat Electronics Limited, Bengaluru for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of M/s.Bharat Electronics Limited, Bengaluru, M/s.BEL Optronics Devices Limited, Pune and M/s.BEL Thales Systems Limited, Bengaluru, but did not conduct supplementary audit of the financial statements of GE BE Pvt. Limited, Bengaluru and BEL Multitone Pvt. Limited, Bengaluru for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(V.K. GIRIJAVALLABHAN)
Pr. Director of Commercial Audit

Place: Bengaluru
Date: 7 July 2015.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF M/S. BHARAT ELECTRONICS LIMITED,
BENGALURU FOR THE YEAR ENDED 31 MARCH 2015.**

The preparation of financial statements of M/s. Bharat Electronics Limited, Bengaluru for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of M/s. Bharat Electronics Limited, Bengaluru for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



**(V.K. GIRIJAVALLABHAN)
Pr. Director of Commercial Audit**

Place: Bengaluru
Date: 7 July 2015.

Significant Accounting Policies

1. BASIS OF ACCOUNTING

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014], 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 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 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. REVENUE RECOGNITION

- (i) Revenue from sale of goods is recognised as under :
- In the case of FOR contracts, 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. Revenue is recognised even if goods are retained with the company at the request of the customer.
 - In the case of ex-works contracts, when the specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.
 - In the case of contracts for supply of complex equipments / systems where the normal cycle time of completion / delivery period is more than 24 months and the value of the equipment / system is more than ₹ 100 crores, revenue is recognised on the "percentage completion" method. Percentage completion is based on the ratio of actual costs incurred on the contract upto the reporting date to the estimated total cost of the contract.

Since the outcome of such a contract can be estimated reliably only on achieving certain progress, revenue is recognised upto 25% progress only to the extent of costs. After this stage, revenue is recognised on proportionate basis and a contingency provision equal to 20% of the surplus of revenue over costs is made while anticipated losses are recognised in full.

- If the sale price is pending finalisation, revenue is recognised on the basis of price expected to be realised. Where break up prices of sub units sold are not provided for, the same are estimated.
 - Price revisions and claims for price escalations on contracts are accounted on admittance.
 - In case of a composite contract, where separate fee for installation and commissioning is not stipulated and the supply is effected and installation and commissioning work is pending, the estimated costs to be incurred on installation and commissioning activity is provided for and revenue is recognised as per the contract.
 - Sales exclude Sales Tax / Value Added Tax (VAT) and include Excise Duty.
- (ii) Revenue from Service Income is recognised as under :
- Where installation and commissioning is stipulated and price for the same agreed separately, revenue relating to installation and commissioning is recognised on conclusion of installation and commissioning activity.
 - Revenue in respect of Maintenance Contracts is recognized on accrual basis.
 - Revenue in respect of other categories of services is recognized on rendering of service.
- (iii) Other income is recognised on accrual.

4. FIXED ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT :

(i) Tangible Assets :

Tangible Fixed Assets are stated at cost less accumulated depreciation / amortisation including where the same is acquired in full or in part with government grant. Cost for this purpose includes all attributable costs for bringing the asset to its location and condition, cost of computer software which is an integral part of the related hardware, and also includes borrowing costs during the acquisition / construction phase, if it is a qualifying asset requiring substantial period of time to get

ready for intended use. The cost of Fixed Assets acquired from a place outside India includes the exchange differences if any, arising in respect of liabilities in foreign currency incurred for acquisition of the same upto 31 March 2007.

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 and the cost of Fixed Assets that are not yet ready for their intended use as at the balance sheet date.

(ii) **Intangible Assets :**

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

(iii) **Impairment of Assets :**

The Company assesses the impairment of assets with reference to each Cash Generating Unit (CGU) at each Balance Sheet date if events or changes in circumstances, based on internal and external factors, indicate that the carrying value may not be recoverable in full. The loss on account of impairment, which is the difference between the carrying amount and recoverable amount, is accounted accordingly. Recoverable amount of a CGU is its Net Selling Price or Value in Use whichever is higher. The Value in Use is arrived at on the basis of estimated future cash flows discounted at Company's pre-tax borrowing rates.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset, either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

5. DEPRECIATION / AMORTISATION

Tangible depreciable Fixed Assets are generally depreciated on straight-line method over the useful life of the assets estimated by the Management and in the manner prescribed in Schedule II to the Companies Act, 2013.

Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different

from the useful life of the remaining asset, useful life of that significant part is determined separately and the significant part depreciated on straight-line method over its estimated useful life.

Special instruments are amortized over related production. Intangible Assets are amortized over a period of three years on straight-line method. Prorata depreciation / amortization is charged from / upto the date on which the assets are ready to be put to use / are deleted or discarded. Leasehold land is amortised over the period of lease.

6. BORROWING COSTS

Borrowing costs that are specifically attributable to qualifying assets as defined in Accounting Standard AS 16 are added to the cost of such assets until use or sale and the balance expensed in the year in which the same is incurred.

7. RESEARCH & DEVELOPMENT EXPENDITURE

- (i) Research and Development expenditure (other than on specific development- cum sales contracts and R&D projects initiated at customer's request), is charged off as expenditure when incurred. R&D expenditure on development - cum - sale contracts and on R&D projects initiated at customer's request are treated at par with other sales contracts.
- (ii) Where R&D projects are initiated at customer's request, and such projects do not fructify into a customer order, the total expenditure booked in respect of such projects is charged off in the year the project is closed.
- (iii) R&D expenditure on Fixed Assets is capitalised.

8. GOVERNMENT GRANTS

All Grants from Government are initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

The amount lying in Deferred Income on account of Revenue Expenses is transferred to the credit of Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

Grants in the nature of promoter's contribution are credited to Capital Reserve.

9. INVESTMENTS

- (i) Investments are categorised as Trade Investments or Other Investments. Trade investments are the investments made to enhance the Company's business interests.
- (ii) Investments are further classified either as long-term or current based on the Management's intention at the time of purchase. Long term investments are valued at acquisition cost. Any diminution in the value other than of temporary nature is provided for. Current investments are carried at lower of cost or fair value.

10. INVENTORY VALUATION

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. Finished goods at factories include applicable excise duty. Adequate provision is made for inventory which are more than five years old which may not be required for further use.

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

- (i) Full provision is made for all Trade Receivables and Other Receivables considered doubtful of recovery having regard to the following considerations :
 - a. Time barred dues from the government / government departments / government companies are generally not treated as doubtful.
 - 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.
- (ii) Provision for bad and doubtful dues is generally made for dues outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realisable based on a case to case review.

12. INCOME TAX

Tax expense comprising current tax after considering deferred tax as determined under the prevailing tax laws

are recognised in the Statement of Profit and Loss for the period.

Certain items of income and expenditure are not considered in tax returns and financial statements in the same period. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset / liability. The effect on deferred tax assets and liabilities due to change in such assets / liabilities as at the end of the accounting period as compared to the beginning of the period and due to a change in tax rates are recognised in the Statement of Profit and Loss for the period.

13. 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.

14. FOREIGN CURRENCY TRANSACTIONS

Foreign exchange transactions including that of integral foreign branches are recorded using the exchange rates prevailing on the dates of the respective transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at period-end rates. The resultant exchange difference arising from settlement of transactions during the period and translations at the period end, except those upto 31 March 2007 relating to acquisition of Fixed Assets from a place outside India, is recognised in the Statement of Profit and Loss. Exchange differences relating to the acquisition of Fixed Assets were adjusted in the carrying cost of the Fixed Assets till 31 March 2007.

Premium or discount arising at the inception of the forward exchange contract is amortised as income / expenditure over the life of the contract. Premium arising at the time of entering into an Options contract is charged off at the time of inception of the Contract.

The exchange rate differences on the amount of forward exchange contracts between the rate on the last reporting date / the rate at the time of entering into a contract during the period and the rate on the settlement date / reporting date are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

In accordance with the announcement of ICAI on Accounting for Derivatives, Forward Exchange Contracts /

Options Contracts entered into to Hedge the Foreign Currency Risk of a "Firm Commitment" or a Highly Probable forecast transaction and outstanding as on

reporting date are valued on Marked to Market basis and losses, if any, are adjusted in the Statement of Profit and Loss. Any gain on Marked to Market valuation is not recognized by the company keeping in view the principle of prudence as enunciated in AS-1- Disclosure of Accounting Policy.

Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period when the cancellation or renewal occurs.

15. 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.

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.

- (ii) (a) Defined contribution to Employee Pension Scheme is made on monthly accrual basis at the applicable rates.
 (b) Defined contribution to Superannuation Pension Scheme is made on Annual basis at the applicable rates.
- (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) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

16. PRIOR PERIOD ADJUSTMENTS AND EXTRAORDINARY ITEMS

Prior period adjustments and extraordinary items having material impact on the financial affairs of the Company are disclosed.

17. TECHNICAL KNOW-HOW

Revenue Expenditure incurred on technical know-how is charged off to Statement of Profit and Loss on incurrence.

18. PROVISIONS AND CONTINGENT LIABILITIES

Provisions for losses and contingencies arising as a result of a past event where the Management considers it probable that a liability may be incurred, are made on the basis of the best reliable estimate of the expenditure required to settle the present obligation on the Balance Sheet date, and are not discounted to its present value. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Significant variations thereof are disclosed.

Contingent liabilities to the extent the Management is aware, are disclosed by way of notes to the accounts.

19. CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statements.

For **Badari, Madhusudhan & Srinivasan**
 Chartered Accountants
 Firm Regn. No. 005389S

S K Sharma
 Chairman & Managing Director

P R Acharya
 Director (Finance)

N Srinivasan
 Partner
 Membership No. 027887

S Sreenivas
 Company Secretary

Bengaluru
 29 May 2015

Balance Sheet as at 31 March 2015

(₹ in Lakhs)

PARTICULARS	Note No.	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	8,000.00	8,000.00
(b) Reserves & Surplus	2	780,502.89	693,723.77
		788,502.89	701,723.77
(2) Government Grants	3	910.51	1,261.25
(3) Non - Current Liabilities			
(a) Other Long-Term Liabilities	4	107.57	694.61
(b) Long-Term Provisions	5	43,328.96	35,618.95
		43,436.53	36,313.56
(4) Current Liabilities			
(a) Short term borrowing		-	-
(b) Trade Payables	6	112,614.00	119,705.91
(c) Other Current Liabilities	7	540,167.59	569,393.54
(d) Short-Term Provisions	8	34,338.58	24,329.65
		687,120.17	713,429.10
TOTAL		1,519,970.10	1,452,727.68
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	77,053.53	65,044.89
(ii) Intangible Assets	10	56.93	49.77
(iii) Capital Work-in-Progress	11	13,965.54	19,673.73
(iv) Intangible Assets under Development	12	11.99	11.99
(b) Non-Current Investments	13	1,911.53	1,198.11
(c) Deferred Tax Assets (Net)	14	33,779.59	29,949.46
(d) Long-Term Loans & Advances	15	6,156.58	6,284.11
(e) Other Non-Current Assets	16	8,932.79	9,373.11
		141,868.48	131,585.17
(2) Current Assets			
(a) Inventories	17	336,943.20	329,870.83
(b) Trade Receivables	18	378,614.33	412,853.69
(c) Cash & Bank Balances	19	588,153.06	456,436.61
(d) Short-Term Loans & Advances	20	69,042.78	115,353.02
(e) Other Current Assets	21	5,348.25	6,628.36
		1,378,101.62	1,321,142.51
TOTAL		1,519,970.10	1,452,727.68

Accounting Policies & Note No. 1 to 30 form part of Financial Statements.

As per our report of even date attached

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

S K Sharma
Chairman & Managing Director

P R Acharya
Director (Finance)

N Srinivasan
Partner
Membership No. 027887

S Sreenivas
Company Secretary

Bengaluru
29 May 2015

Statement of Profit & Loss for the year ended 31 March 2015

(₹ in Lakhs)

PARTICULARS	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
I. REVENUE FROM OPERATIONS			
(i) Turnover			
(a) Sale of Products		611,603.66	550,336.71
(b) Sale of Services		57,852.87	67,086.54
(c) Gross (a+b)		669,456.53	617,423.25
(d) Excise Duty		1,902.69	5,195.09
(e) Net Turnover (c-d)		667,553.84	612,228.16
(ii) Other Operating Revenues	22	16,711.81	15,324.16
TOTAL [i(e)+ii]		684,265.65	627,552.32
II. OTHER INCOME	23	47,795.18	42,847.44
III. TOTAL REVENUE (I + II)		732,060.83	670,399.76
IV. EXPENSES			
(a) Cost of Material Consumed		326,534.05	310,938.06
(b) Cost of Stores & Spares Consumed		3,967.10	3,015.04
(c) Purchases of Stock in Trade		43,952.00	44,402.81
(d) Changes in Inventories of Finished Goods, WIP & Scrap	24	3,602.18	4,733.28
(e) Employee Benefits Expense	25	126,345.08	103,042.56
(f) Finance Costs	26	138.38	339.61
(g) Depreciation and Amortization Expense	9 & 10	15,396.49	14,210.45
(h) Other Expenses	27	65,531.99	72,308.59
TOTAL EXPENSES (a to h)		585,467.27	552,990.40
V. Profit before exceptional & extraordinary items & tax (III - IV)		146,593.56	117,409.36
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		146,593.56	117,409.36
VIII. Extraordinary items		-	-
IX. Profit for the year (VII-VIII)		146,593.56	117,409.36
X. Prior Period Items (Net)	28	75.11	64.59
XI. Profit for the year before tax (IX+X)		146,668.67	117,473.95
XII. Tax Expense			
- Current Year		36,600.00	29,100.00
- Earlier Years		(2,825.29)	(1,996.08)
- Deferred Taxes		(3,830.13)	(2,792.15)
Total Provision for Taxation		29,944.58	24,311.77
XIII. Profit for the year after tax (XI - XII)		116,724.09	93,162.18
XIV. Earnings per equity share:	29		
(1) Basic [in Rupees]		145.91	116.45
(2) Diluted [in Rupees]		145.91	116.45

Accounting Policies & Note No. 1 to 30 form part of Financial Statements.

As per our report of even date attached

 For **Badari, Madhusudhan & Srinivasan**
 Chartered Accountants
 Firm Regn. No. 005389S

S K Sharma
 Chairman & Managing Director

P R Acharya
 Director (Finance)

N Srinivasan
 Partner
 Membership No. 027887

S Sreenivas
 Company Secretary

 Bengaluru
 29 May 2015

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 1

SHARE CAPITAL

Authorised Capital

10,00,00,000 (10,00,00,000) Equity Shares of ₹ 10 each	10,000.00	10,000.00
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Issued, Subscribed & Fully Paid-up Capital

8,00,00,000 (8,00,00,000) Equity Shares of ₹ 10 each	8,000.00	8,000.00
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i. Reconciliation of No. of Shares

Particulars	2014 - 15		2013 - 14	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	80,000,000	8,000.00	80,000,000	8,000.00
Add : Shares issued during the year	-	-	-	-
Less : Shares Bought Back, etc., during the year	-	-	-	-
Shares outstanding at the end of the reporting period	80,000,000	8,000.00	80,000,000	8,000.00

ii. Details of shareholders holding more than 5% of paid up share capital as on 31 March 2015 is given below :

Name of Shareholder	2014 - 15		2013 - 14	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Government of India	60,015,859	75.02%	60,015,859	75.02%
Life Insurance Corporation of India	4,476,641	5.60%	4,758,331	5.95%

iii. Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. **NIL** NIL

iv. The aggregate value of calls unpaid (including Directors and Officers of Company) **NIL** NIL

v. The Company has only one class of shares viz, Equity Shares.

vi. 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.

vii. Each Shareholder has a right to receive the dividend declared by the Company.

viii. 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.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 2		
RESERVES & SURPLUS		
CAPITAL RESERVE		
a) Land Valuation Reserve	200.64	200.64
b) Capital Profit :		
At the beginning of the year	4,667.43	4,217.32
Add : Transfer from Surplus for the period	-	450.11
	4,667.43	4,667.43
c) On acquisition of Machilipatnam Unit	0.85	0.85
d) General Investment Subsidy for Kotdwara Unit	50.00	50.00
	4,918.92	4,918.92
GENERAL RESERVE		
At the beginning of the year	392,122.33	352,122.33
Add : Transfer from Surplus for the period	40,000.00	40,000.00
	432,122.33	392,122.33
SURPLUS		
At the beginning of the year	296,682.52	265,778.32
Add : Profit for the period	116,724.09	93,162.18
Amount available for appropriation	413,406.61	358,940.50
Less : Appropriation		
Dividend on Equity Shares		
- Interim Dividend [₹ 6 per share (₹ 6 per share)]	4,800.00	4,800.00
- Proposed Final Dividend [₹ 23.20 per share (₹ 17.30 per share)]	18,560.00	13,840.00
Dividend Tax	4,738.10	3,167.87
Corporate Social Responsibility (CSR)	1,846.87	-
Transfer to General Reserve	40,000.00	40,000.00
Transfer to Capital Reserve	-	450.11
Surplus carried forward	343,461.64	296,682.52
	780,502.89	693,723.77
NOTE - 3		
GOVERNMENT GRANTS		
Grant from Government for Research and Other purposes		
At the beginning of the year	1,261.25	1,917.16
Add : Additions during the year	56.00	294.05
Less : Transfer to Statement of Profit & Loss	406.74	949.96
	910.51	1,261.25
	910.51	1,261.25
NOTE - 4		
OTHER LONG TERM LIABILITIES		
Trade Payables	1.87	611.22
Security Deposits	105.70	63.61
Payables Other than Trade Payables	-	19.78
	107.57	694.61

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 5

LONG TERM PROVISIONS

Employee Benefits

Long-term Compensated Absences	21,299.58	16,753.92
BEL Retired Employees' Contributory Health Scheme (BERECHS)	22,029.38	18,865.03
	43,328.96	35,618.95

i. Long Term Compensated Absence Scheme :

Total liability in respect of Long Term Compensated Absences	24,106.47	19,509.59
Less : Amount expected to be paid within next twelve months (Refer Note 8)	2,806.89	2,755.67
	21,299.58	16,753.92

ii. The amount of Liability on long term compensated absences has been bifurcated between current and non current based on the report of Actuary.

iii. As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of Long Term Compensated Absences :

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 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	2014 - 15	2013-14
a) Expenses Recognised in the Statement of Profit & Loss :		
Net Expenses Recognised in the Statement of Profit & Loss [Leave Encashed : ₹ 3,218.09, Provision : ₹ 4,596.88]	7,814.97	2,406.17
b) Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Rate of increase in compensation level	7.50%	7.50%
c) Amounts to be recognised in Balance Sheet :		
Liability recognised in Balance Sheet [as per Actuarial Valuation]	24,106.47	19,509.59

iv. BEL Retired Employees' Contributory Health Scheme (BERECHS)

a) Total liability in respect of BERECHS	23,817.02	20,785.53
Less : Expected to be payable within next twelve months (Refer Note 8)	1,787.64	1,920.50
	22,029.38	18,865.03

b) The liability in respect of BERECHS has been bifurcated between current and non current based on the report of Actuary.

Notes to Accounts

(₹ in Lakhs)

- v. As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of BERECHS :

The Company has a contributory health scheme for its retired employees "BEL Retired Employees' Contributory Health Scheme" (BERECHS), which is a non-funded scheme. The primary objective of the scheme is to provide medical facilities to employees retiring on attaining the age of superannuation, or on VRS. Benefits under the Scheme shall be available to the employees who become members and their spouses only. The Company takes insurance cover for inpatient treatment. In addition to the annual insurance premium, the Company bears 60% of the medicine cost and 75% of the cost of diagnostic tests for outpatient treatment and for the treatment of specified diseases, the Company bears the full cost of treatment, over and above the insurance coverage.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary :

Particulars	2014 - 15	2013 - 14
a. Change in Benefit Obligations :		
Present Value of Obligation (PVO) as at the beginning of the year	20,785.53	19,149.62
Current Service Cost	1,087.07	1,001.51
Interest Cost	1,835.03	1,470.50
Actuarial (Gain) / Loss	1,788.48	1,154.63
Benefits paid	(1,679.09)	(1,990.73)
Present Value of Obligation as at the end of the period	23,817.02	20,785.53
b. Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Contributions	1,679.09	1,990.73
Benefits paid	(1,679.09)	(1,990.73)
Actuarial Gain / (Loss)	-	-
Fair value of Plan Assets at the end of the period	-	-
c. Expenses Recognised in the Statement of Profit & Loss :		
Opening Net Liability	-	-
Current Service cost	1,087.07	1,001.51
Interest on Defined benefit obligation	1,835.03	1,470.50
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognised in the period	1,788.48	1,154.63
d. Expenses Recognised in the Statement of Profit & Loss (Expenses : ₹ 1,679.09, Provisions : ₹ 3,031.49)	4,710.58	3,626.64
e. Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Rate of increase in compensation level	7.50%	7.50%
Health care costs escalation rate	3.90%	3.25%
Attrition Rate	1.00%	1.00%

Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
f. Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	23,817.02	20,785.53
Fair Value of Plan Assets at the end of the period	-	-
Funded Status	(23,817.02)	(20,785.53)
Unrecognised Actuarial (Gains) / Losses	-	-
Liability recognised in Balance Sheet (as per Actuarial Valuation)	23,817.02	20,785.53
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	401.64	302.85
Effect on defined benefit obligation	2,917.96	2,160.42
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	(331.87)	(256.37)
Effect on defined benefit obligation	(2,411.07)	(1,828.85)

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 6

TRADE PAYABLES

- Dues to Micro & Small Enterprises	404.91	165.02
- Others	112,209.09	119,540.89
	112,614.00	119,705.91

- 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 2015 is furnished below :

Particulars	2014 - 15	2013 - 14
a. The principal and the interest due thereon remaining unpaid as at 31 March :		
Principal Amount	404.91	165.02
Interest	6.18	2.52
b. The interest paid by the Company along with the amount of the payment made beyond the appointed day during the year ending 31 March :		
Principal Amount	137.75	106.52
Interest	0.28	0.12
c. 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	1.09	1.04
d. Interest accrued and remaining unpaid at the end of the year ending 31 March.	10.12	5.81
e. 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.	4.59	2.70

- ii. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Company.

NOTE - 7

OTHER CURRENT LIABILITIES

Management Contribution to BEL Superannuation (Pension) Scheme	-	1,134.75
Unpaid Dividend #	19.51	20.16
Unpaid Matured Deposits (including interest thereon) #	38.87	38.87
Interest accrued and due on Trade Payables - MSMED (Refer Note 6)	10.12	5.81

Other Liabilities

Security Deposits	1,978.63	1,882.89
Outstanding Expenses	19,917.13	18,070.43
Advances/Progress Payment received from Customers	496,584.16	527,267.87
Statutory Liabilities	16,022.25	16,215.05
Others	5,596.92	4,757.71
	540,167.59	569,393.54

Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date.

NIL

NIL

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 8		
SHORT TERM PROVISIONS		
Taxation [Net of Advance Tax ₹ 99,200.00 (₹ 85,400.00)] (Refer Note 15)	-	-
Proposed Final Dividend	18,560.00	13,840.00
Dividend Tax	3,778.38	2,352.11
Employee Benefits		
Gratuity	447.52	-
Management Contribution to BEL Superannuation (Pension) Scheme	3,228.00	-
Long-Term compensated absences	2,806.89	2,755.67
BEL Retired Employees' Contributory Health Scheme (BERECHS)	1,787.64	1,920.50
	8,270.05	4,676.17
Provision for Performance Warranty	3,730.15	3,461.37
	34,338.58	24,329.65

- i. Provision for warranty is made towards meeting the expenditure on account of performance guarantee and warranties in accordance with accounting policy No.13. The details of the same are given below :

Particulars	2014 - 15	2013 - 14
Opening Balance (a)	3,461.37	2,715.56
Additional Provisions made during the year (b)	868.21	1,048.22
Amounts used during the year (c) *	58.00	-
Unused Amounts reversed during the year (d)	541.43	302.41
Closing Balance (e) = (a+b-c-d)	3,730.15	3,461.37

* a) Represents amount debited to opening provision.

b) An amount of ₹ 5,102.25 (₹ 4,304.83) has been debited to Natural Code Heads.

- ii. During the year the Company has recognised an amount of ₹ 7,108.13 (₹ 6,743.35) towards contribution to Employees Provident Fund and Pension Schemes in the Statement of Profit and Loss. The Guidance on Implementing AS 15 (Revised) issued by the Institute of Chartered Accountants of India states that provident funds setup by employers that guarantee a specified rate of return and which require interest shortfalls to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15(R) and actuarially valued.

Pursuant to the Guidance Note, the Company has determined on the basis of Actuarial Valuation carried out as at 31 March 2015, that there is no liability towards the interest shortfall on valuation date under para 55 and 59 of AS 15 (R) (having regard to terms of plan that there is no compulsion on the part of the Trust to distribute any part of the surplus, if any, by way of additional interest on PF balances).

Notes to Accounts

(₹ in Lakhs)

The following table summarises the disclosure report provided by the actuary :

EMPLOYEES PROVIDENT FUND

Particulars	2014 - 15	2013 - 14
i) Change in Benefit Obligations :		
Present Value of Obligation as at the beginning of the year	138,914.93	124,231.05
Current Service Cost	28,586.38	25,545.21
Interest Cost	11,900.98	8,403.22
Past Service Cost	-	-
Actuarial (Gain) / Loss	(7,104.31)	21,710.60
Benefits paid	(12,830.85)	(40,975.15)
Present Value of Obligation transferred	(3,141.10)	-
Present Value of Obligation as at the end of the period	156,326.03	138,914.93
ii) Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	142,453.35	149,557.49
Expected return on Plan Assets	13,153.79	12,673.82
Contributions	20,563.41	22,011.95
Benefits paid	(12,830.85)	(40,975.15)
Actuarial Gain / (Loss) on Plan Assets	171.39	(814.76)
Fair Value of Plan Assets transferred	(3,285.12)	-
Fair value of Plan Assets at the end of the period	160,225.97	142,453.35
iii) Expenses Recognised in the Statement of Profit & Loss :		
Opening Net Liability	-	-
Current Service cost	28,586.38	25,545.21
Interest Cost	11,900.98	8,403.22
Expected return on Plan Assets	(13,153.79)	(12,673.82)
Net Actuarial (Gain) / Loss recognised in the period	(7,275.70)	22,525.36
Past Service Cost	-	-
Expenses Recognised in the Statement of Profit & Loss	20,057.87	43,799.97
iv) Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	156,326.03	138,914.93
Fair Value of Plan Assets at the end of the period	160,225.97	142,453.35
Difference	(3,899.94)	(3,538.42)
Unrecognised Actuarial (Gains) / Losses	-	-
Liability recognised in Balance Sheet	-	-
v) Amount for the Current Period :		
Present Value of Obligation	156,326.03	138,914.93
Plan Assets	160,225.97	142,453.35
Surplus / (Deficit)	3,899.94	3,538.42
Experience Adjustments on Plan liabilities - (Loss)/ Gain	7,112.10	(21,714.92)
Experience Adjustments on Plan Assets - (Loss)/ Gain	171.39	(814.76)

Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
vi) Category of Assets as at 31 March 2015 :		
Government of India Securities	21.35%	25.67%
State Government Securities	22.19%	17.20%
High Quality Corporate Bonds	48.90%	53.33%
Special Deposit Scheme	7.56%	3.80%
Total	100.00%	100.00%
vii) Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Salary escalation rate	7.50%	7.50%
Expected rate of Return on Plan Assets	9.20%	9.18%

iii. Gratuity Scheme

As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of Gratuity :

The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits funds 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 and Loss and the funded status and amounts recognised in the Balance Sheet for the plan as furnished in the Disclosure Report provided by the actuary :

Particulars	2014 - 15	2013 - 14
i) Change in Benefit Obligations :		
Present Value of Obligation as at the beginning of the year	34,066.71	38,022.07
Current Service Cost	618.00	633.96
Interest Cost	2,935.04	2,875.22
Past Service Cost	-	-
Actuarial (Gain) / Loss	4,024.84	(2,413.56)
Benefits paid	(4,328.26)	(5,050.98)
Present Value of Obligation as at the end of the period	37,316.33	34,066.71
ii) Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	36,577.23	35,825.62
Expected return on Plan Assets	3,090.30	3,316.00
Contributions	-	2,196.45
Benefits paid	(4,328.26)	(5,050.98)
Actuarial Gain / (Loss) on Plan Assets	29.54	290.14
Fair value of Plan Assets at the end of the period	35,368.81	36,577.23
Excess of Obligation over Plan Assets	1,947.52	(2,510.52)

Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
iii) Expenses Recognised in the Statement of Profit & Loss		
Opening Net Liability	-	-
Current Service cost	618.00	633.96
Interest Cost	2,935.04	2,875.22
Expected return on Plan Assets	(3,090.30)	(3,316.00)
Net Actuarial (Gain) / Loss recognised in the period	3,995.30	(2,703.70)
Past Service Cost	-	-
Negative Opening Liability not recognised during the year	(2,510.52)	-
Expenses Recognised in the Statement of Profit & Loss	1,947.52	-
Actual Return on Plan Assets	8.86%	8.98%
iv) Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	37,316.33	34,066.71
Fair Value of Plan Assets at the end of the period	35,368.81	36,577.23
Funded Status	(1,947.52)	2,510.52
Unrecognised Actuarial (Gains) / Losses	-	-
Liability recognised in Balance Sheet [after considering payment of ₹ 1,500 (₹ NIL) to the Trust during the year]	447.52	-
v) Category of Assets as at 31 March 2015 :		
State Govt. Securities	8.08%	10.47%
Govt. of India Securities	2.32%	2.35%
High Quality Corporate Bonds	8.18%	10.42%
Investment with Insurer	81.42%	76.76%
Total	100.00%	100.00%
Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Salary escalation rate	7.50%	7.50%
Expected rate of Return on Plan Assets	8.86%	8.98%

Notes to Accounts

(₹ in Lakhs)

iv. Experience adjustments for funded schemes

The disclosure with respect to paragraph 120 (n) of AS-15(R) towards experience adjustments are being made for funded schemes viz., Gratuity. [As long term compensated absences and BERECHS are not funded, such disclosure is not required].

Gratuity :

Particulars		2014-15	2013-14	2012-13	2011-12	2010-11
i)	Present Value of Obligation as at the end of the period	37,316.33	34,066.71	38,022.07	37,773.15	38,107.60
ii)	Fair value of Plan Assets at the end of the period	35,368.81	36,577.23	35,825.62	35,492.98	35,296.38
iii)	Excess of Obligation over Plan Assets – Surplus / (Deficit)	(1,947.52)	2,510.52	(2,196.45)	(2,280.17)	(2,811.22)
Experience Adjustments						
iv)	Experience Adjustments on Plan liabilities – (Loss) / Gain	317.27	(624.71)	(281.64)	(3,375.25)	(2,176.81)
v)	Experience Adjustments on Plan Assets – (Loss) / Gain	29.54	290.14	194.69	97.29	(55.53)

v. Best Estimate of Contribution to be paid

The best estimate of contribution to be paid towards Gratuity during the annual period beginning after the Balance Sheet is ₹ 1,947.52 (₹ Nil). In case of Provident Fund, there is no actuarial liability assessed for shortfall in interest as at the year end.

vi. For BERECHS & Long Term Compensated Absences, Refer Note 5 for disclosure details.

Notes to Accounts

NOTE - 9

FIXED ASSETS - TANGIBLE

₹ in Lakhs

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2014	Additions / Adjustments during the year	Deductions / Adjustments during the year	Total cost as at 31.03.2015	Accumulated Depreciation/ Amortisation as at 01.04.2014	Depreciation/ Amortization for the year	Deductions / Adjustments during the year	As at 31.03.2015	As at 31.03.2014
Freehold Land *	2,296.94	15.31	-	2,312.25	-	-	-	2,312.25	2,296.94
Leasehold Land	706.35	-	-	706.35	113.57	11.09	-	581.69	592.78
Roads and Culverts	706.57	72.81	-	779.38	485.71	20.35	-	273.32	220.86
Buildings ++ @	27,478.42	4,683.30	46.28	32,115.44	10,489.24	945.74	46.28	20,726.74	16,989.18
Installations ++	7,020.93	184.25	5.29	7,199.89	5,027.29	365.70	5.29	1,812.19	1,993.64
Plant and Machinery ++	77,632.33	10,987.23	667.94	87,951.62	60,269.55	5,373.20	609.13	22,918.00	17,362.78
Electronic Equipment ++	52,704.05	6,713.23	121.14	59,296.14	41,883.60	3,794.78	121.14	13,738.90	10,820.45
Equipment for R & D Lab	29,523.46	2,926.38	325.86	32,123.98	20,820.21	3,205.62	325.86	8,424.01	8,703.25
Vehicles	918.12	97.56	22.15	993.53	817.52	56.92	22.15	141.24	100.60
Vehicles - Under Lease	7.11	-	-	7.11	7.11	-	-	-	-
Office Equipment ++	12,308.15	1,044.62	409.13	12,943.64	9,731.56	931.19	408.03	2,688.92	2,576.59
Furniture, Fixtures and other Equipment ++	7,918.60	662.46	28.30	8,552.76	4,597.79	611.90	28.30	3,371.37	3,320.81
Assets acquired for Sponsored Research **	1,406.49	14.23	-	1,420.72	1,339.48	16.34	-	64.90	67.01
Total ***	220,627.52	27,401.38	1,626.09	246,402.81	155,582.63	15,332.83	1,566.18	77,053.53	65,044.89
Previous Year ***	205,284.44	21,767.40	6,424.32	220,627.52	147,861.70	14,137.50	6,416.57	65,044.89	57,422.74

Freehold Land consists of 1,038.63 acres (1,038.83 acres) and Leasehold Land consists of 301.33 acres (301.33 acres).

* Land includes 8.42 acres (6.21 acres) leased to commercial/religious organisations and in their possession.

** Assets are the property of the Government of India

++ Additions during the year includes ₹ 1,265.74 (₹ 770.55) in respect of the assets of Central Research Laboratories of BEL.

@ Additions during the year includes ₹ 1,198.99 (₹ Nil) in respect of D&E Buildings.

*** Gross Block and Accumulated Depreciation include ₹ 6,313.48 (₹ 4,728.08) pertaining to assets not in active use, disposal of which is pending.

Assets acquired fully out of non-government grants have been valued at nominal value of ₹ 1 (Rupee One only). Where such Assets have been partially funded, they have been valued after adjusting the proportionate grant amount.

Notes to Accounts

FIXED ASSETS - TANGIBLE

(₹ in Lakhs)

- Deeds containing the terms of transfer / grant of land from State Governments / State Undertakings have been registered during the FY 2014-15 in respect of 86.60 acres valuing ₹ 196.94 pertaining to Panchkula Unit. However, rectification of land area held by BEL for Township from 30.00 acres to 28.60 acres in records of HUDA and Registration Authority is in process. The title deed in respect of land measuring 0.30 acres (0.30 acres) is under litigation.
- 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 admeasuring 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 ₹ 65.12 (₹ 65.12) is included in Long Term Loans & Advances.
- Based on the Memorandum of Understanding reached with the Defence authorities, expenditure on civil works was incurred on land allotted to BEL 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.
- In respect of Hyderabad Unit, an amount of ₹ 310.86 (Nil) paid to Telangana State Industrial Infrastructure Corporation (TSIIC) towards procurement of additional land of 26.22 acres in Survey No. 254 to Survey No. 256 at Ibrahimpatnam is included in Long Term Loans & Advances.
- Free hold Land to the extent of 1.22 acres which was allotted by Government Authorities in return for handing over of Land measuring 1.24 acres is under litigation (Bengaluru Complex Unit).
- Land acquired free of cost from the Government in some units has been accounted at a notional value by corresponding credit to Capital Reserve.
- The Company has installed Windmill Generator at two locations. The leasehold land of the Windmill Generator-I is capitalised in the year 2007-08 at the nominal value of ₹ 5 (Five Rupees only) as the upfront lease cost is Nil. The leasehold land of Windmill Generator-II is capitalised in the year 2007-08 at the cost of ₹ 114. In both the cases, the Lease Agreement for the land is pending finalisation.
- Approval for extension of lease period from DRDO in respect of Land admeasuring 26.99 acres is under process (Pune Unit).
- Title in respect of 12.50 acres of land acquired through land transfer certificate is under litigation (Kotdwara Unit).
- The management has estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of Tangible Assets is as follows :

Asset Class	Years
Buildings	20 / 40
Roads & Culverts	20 / 40
Installations	10
Plant & Machinery	5 / 6 / 7 / 10
Electronic Equipments	5 / 6 / 7
Vehicles	4 / 5
Office Equipments	7
Furniture & Fixtures	7 / 10
Equipments for R&D Labs	5

NOTE - 10

FIXED ASSETS - INTANGIBLE

PARTICULARS	GROSS BLOCK (AT COST)			AMORTISATION			NET BLOCK		
	Cost as at 01.04.2014	Additions / Adjustments during the year	Deductions / Adjustments during the year	Total cost as at 31.03.2015	Accumulated Amortization as at 01.04.2014	Amortization for the year	Deductions/ adjustments during the year	As at 31.03.2015	As at 31.03.2014
Enterprise Resource Planning(ERP) - Software Licenses / Implementation	2,039.04	73.20	-	2,112.24	1,989.27	66.04	-	2,055.31	49.77
Total	2,039.04	73.20	-	2,112.24	1,989.27	66.04	-	2,055.31	49.77
Previous Year	2,039.04	-	-	2,039.04	1,916.32	72.95	-	1,989.27	49.77
									122.72

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 11		
CAPITAL WORK IN PROGRESS		
Civil Construction	4,180.45	4,226.18
Plant and Machinery	7,820.67	10,459.06
Others	1,562.72	2,090.88
	13,563.84	16,776.12
Add : Capital Items in Transit	770.43	3,266.34
	14,334.27	20,042.46
Less : Provision	368.73	368.73
	13,965.54	19,673.73

Assets acquired fully out of non-government grants have been valued at nominal value of ₹ 1 (Rupee One only). Where such Assets have been partially funded, they have been valued after adjusting the proportionate grant amount.

NOTE - 12

Intangible Assets under Development Enterprise Resource Planning (ERP)- Software Licenses / Implementation

Opening Balance	11.99	11.99
Add : Addition during the year	-	-
	11.99	11.99
Less : Amount Capitalized during the year	-	-
	11.99	11.99
	11.99	11.99

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 13		
NON-CURRENT INVESTMENTS (at Cost)		
TRADE, UNQUOTED		
INVESTMENT IN EQUITY INSTRUMENTS		
SUBSIDIARY :		
BEL Optronics Devices Ltd., Pune		
17,00,223 (17,00,223) Equity Shares of ₹ 100 each fully paid	936.08	936.08
BEL-Thales Systems Limited, Bengaluru		
7,10,396 (NIL) Equity Shares of ₹ 100 each fully paid	710.40	-
JOINT VENTURE :		
GE-BE Private Ltd., Bengaluru		
26,00,000 (26,00,000) Equity Shares of ₹ 10 each fully paid	260.00	260.00
BEL Multitone Private Ltd., Bengaluru		
NIL (3,18,745) Equity Shares of ₹ 10 each fully paid	31.88	31.88
Less : Provision for Diminution in value of Investment	-	29.90
Value of investment written off	31.88	-
	-	1.98
	260.00	261.98
OTHERS, UNQUOTED		
A) INVESTMENT IN CO-OPERATIVE SOCIETIES		
Cuffe Parade Persopolis Premises Co-operative Society, Mumbai		
40 Shares (40 Shares) of ₹ 50 each fully paid	0.02	0.02
Sukh Sagar Premises Co-op. Society, Mumbai		
10 Shares (10 Shares) of ₹ 50 each fully paid		
Shri Sapta Ratna Co-op. Society Ltd., Mumbai		
10 Shares (10 Shares) of ₹ 50 each fully paid	0.01	0.01
Dalamal Park Co-op. Society Ltd., Mumbai		
5 Shares (5 Shares) of ₹ 50 each fully paid		
Chandralok Co-op Housing Society Ltd., Pune		
30 Shares (30 Shares) of ₹ 50 each fully paid	0.02	0.02
	0.05	0.05
B) OTHER INVESTMENTS		
Mana Effluent Treatment Plant Ltd, Hyderabad		
500 Shares (NIL) of ₹ 1000 each fully paid	5.00	-
	1,911.53	1,198.11
Aggregate Value of Quoted Investments	NIL	NIL
Aggregate Value of Unquoted Investments	1,911.53	1,198.11
Aggregate Provision for diminution in value of investment	-	29.90

- i. Investment made in Co-operative Societies are in respect of apartments owned by the company, cost of which is included under Fixed Assets. (Refer Note 9).

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 14		
DEFERRED TAX ASSETS		
Deferred Tax Assets	40,392.65	35,252.76
Deferred Tax Liabilities	6,613.06	5,303.30
	33,779.59	29,949.46

Break up of Net Deferred Tax Assets is given below :

Particulars	2014 - 15	2013 - 14
Deferred Tax Asset (A)		
Provision against Debts, Inventory, Performance Guarantee & Leave Encashment, etc.	40,093.74	34,783.13
Technical Know-how fee	298.91	469.63
Total (A)	40,392.65	35,252.76
Deferred Tax Liability (B)		
Depreciation	6,613.06	5,303.30
Total (B)	6,613.06	5,303.30
Net Deferred Tax Assets (C)=(A)-(B)	33,779.59	29,949.46

NOTE - 15

LONG TERM LOANS & ADVANCES

Unsecured, Considered Good

Capital Advances	2,923.78	1,544.34
Security Deposits	1,760.92	1,803.30
Other Loans & Advances -		
Loans to Employees	837.88	900.23
Loans to Others	-	1.25
Advances to Employees	0.79	1.79
Advances for Purchase	249.96	1,489.43
Advances to Others	73.26	253.16
Advance payment of Income Tax [Net of Provision for Tax - ₹ 92,200.00 (₹ 85,400.00)] - Refer Note 8	224.03	195.53
Balances with Customs, Port Trust and Other Government Authorities	81.75	90.59
Prepaid Expenses	4.21	4.49
	6,156.58	6,284.11

Unsecured, Considered Doubtful

Capital Advances	8.02	8.02
Security Deposits	81.78	61.23
Other Loans & Advances -		
Loans to Others	132.00	132.00
Advances to Employees	0.85	0.85
Advances for Purchase	431.15	738.84
Advances to Others	1,946.85	1,671.99
Advance payment of Income Tax	0.34	0.12
Balances with Customs, Port Trust and Other Government Authorities	28.93	28.93
	2,629.92	2,641.98
Less : Provisions	2,629.92	2,641.98
	6,156.58	6,284.11

i. For Related Party Disclosures refer Note 30 (15).

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 16		
OTHER NON CURRENT ASSETS		
Inventories		
Raw Materials & Components	28,169.21	26,328.14
Less : Provision	22,646.54	19,382.78
	5,522.67	6,945.36
Work In Progress	175.19	241.88
Less : Provision	-	125.91
	175.19	115.97
Stores & Spares	86.19	105.90
Less : Provision	52.41	74.20
	33.78	31.70
Loose Tools	71.95	94.45
Less : Provision	58.96	44.23
	12.99	50.22
	5,744.63	7,143.25
Trade Receivables		
Unsecured, Considered Doubtful		
Trade Receivables	103,204.49	86,722.29
Less : Provision	103,204.49	86,722.29
	-	-
	-	-
Others		
Unsecured, Considered Good		
Other Non-Current Assets	3,180.44	2,229.86
	3,180.44	2,229.86
Unsecured, Considered Doubtful		
Receivables Other Trade Receivables	16.53	96.84
Claims Receivables - Purchases	661.26	516.42
Other Non-Current Assets	111.79	86.84
	789.58	700.10
Less : Provision	781.86	700.10
	7.72	-
	3,188.16	2,229.86
	8,932.79	9,373.11

- Valuation of Inventories has been made as per Company's Accounting Policy. (Refer Accounting Policy 10).
- In respect of Trade Receivables, necessary provisions have been made towards Doubtful Debts on the basis of Prudence and in line with Accounting Policy 11.

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 17		
INVENTORIES		
Raw Materials & Components	168,981.83	164,335.15
Add : Raw Materials & Components in Transit	14,528.89	13,895.19
Less : Provisions	62.69	265.60
	183,448.03	177,964.74
Work In Progress	124,440.14	128,765.85
Finished Goods	8,875.16	10,086.67
Add : Finished Goods in Transit	7,565.13	5,721.22
Less : Provisions	-	8.95
	16,440.29	15,798.94
Stock in Trade	6,576.41	3,628.01
Add : Stock in Trade in Transit	2,886.21	1,173.13
Less : Provisions	161.73	89.10
	9,300.89	4,712.04
Stores & Spares	1,801.92	1,490.13
Add : Stores & Spares in Transit	368.92	121.34
Less : Provisions	-	0.77
	2,170.84	1,610.70
Loose Tools	831.75	668.79
Add : Loose Tools in Transit	3.38	199.71
	835.13	868.50
Disposable Scrap	307.88	150.06
	336,943.20	329,870.83
<p>i) Raw Materials and Components include ₹ 5,334.61 (₹ 4,176.12) being materials with sub-contractors, out of which ₹ 56.55 (₹ 50.47) of materials is subject to confirmation and reconciliation. Against ₹ 56.55 (₹ 50.47), an amount of ₹ 49.46 (₹ 35.58) has been provided for. The impact, if any, on consequent adjustment for the balance amount is considered not material.</p> <p>ii) Stock verification discrepancies for the year are as follows : Shortages of ₹ 163.54 (₹ 114.26) and surplus of ₹ 126.15 (₹ 71.01). Pending reconciliation, an amount of ₹ 66.10 (₹ 56.47) has been provided for.</p> <p>iii) Valuation of Inventories has been made as per Company's Accounting Policy. (Refer Accounting Policy 10).</p> <p>iv) a. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO2EQ Carbon Credit for the 2.5MW BEL Grid Connected Wind Power Project at 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 ₹ 1.90 (₹ 1.90). The CER is valued at cost as required by Guidance Note on CER issued by ICAI.</p> <p>b. CER under Certification : Nil (Nil) CERs.</p> <p>c. Depreciation & Operation Cost of Emission Reduction Equipments during the year :</p>		
(i) Depreciation	14.29	292.51
(ii) Operation Cost of Emission Reduction Equipments	81.14	79.53
Total	95.43	372.04

Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 18		
TRADE RECEIVABLES		
Secured, Considered Good		
Not Exceeding Six Months	28.00	33.00
Exceeding Six Months	19.75	7.00
	47.75	40.00
Unsecured, Considered Good		
Not Exceeding Six Months	148,233.10	231,939.92
Exceeding Six Months	230,333.48	180,873.77
	378,566.58	412,813.69
	378,614.33	412,853.69

NOTE - 19

CASH & BANK BALANCES

CASH & CASH EQUIVALENTS

Balance with Banks	42,152.36	40,318.19
Cash on hand	17.57	16.94
Term Deposits (incl. accrued interest)	160,110.77	134,395.94
	202,280.70	174,731.07

OTHER BANK BALANCES

Term Deposits (incl. accrued interest)	385,852.08	281,669.38
Margin Money held with Banks	0.77	16.00
Unpaid Dividend	19.51	20.16
	385,872.36	281,705.54
	588,153.06	456,436.61

- Cash and cash equivalents includes Term Deposits with original maturity period upto three months. Term Deposits with original maturity period beyond 3 months have been included in Other Bank balances.
- Company does not have any Term Deposits with original maturity period of more than 12 months.

NOTE - 20

SHORT TERM LOANS & ADVANCES

Unsecured, Considered Good

Security Deposits	769.75	763.18
Loans to Employees	179.15	207.19
Loans to Others	1.25	1.25
Advances to Employees	559.51	471.05
Advances for Purchase	55,997.61	101,867.60
Advance to Others	4,329.93	5,863.31
Balances with Customs, Port Trust and Other Government Authorities	5,394.45	4,712.71
Prepaid Expenses	1,811.13	1,466.73
	69,042.78	115,353.02

For Related Party Disclosures refer Note 30 (15).

NOTE - 21

OTHER CURRENT ASSETS

Receivables other than Trade Receivables	159.40	383.50
Claims Receivables - Purchases	3,903.86	2,490.46
Other Current Assets	1,284.99	3,754.40
	5,348.25	6,628.36

Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 22		
OTHER OPERATING REVENUES		
Sale of Scrap	866.56	740.01
Export Benefits	166.20	202.34
Transport Receipts	350.09	379.51
Rent Receipts	585.46	537.15
Canteen Receipts	720.69	657.83
Electricity Charges Collected	124.99	113.39
Water Charges Collected	32.69	28.82
Provisions Withdrawn		
- Doubtful Debts, LD	2,544.66	3,728.72
- Inventory	1,147.46	788.01
- Loans & Advances	97.53	223.73
- Others	713.49	347.26
Transfer from Grants	406.74	930.96
Miscellaneous	8,955.25	6,646.43
	16,711.81	15,324.16

NOTE - 23

OTHER INCOME

Interest income on Term Deposits	41,974.17	41,366.49
Income from Long Term Investments (Dividend)	260.00	260.00
Interest Income from Staff/IT Refund/Others	1,709.50	159.80
Profit on Sale of Fixed Assets	123.23	601.18
Foreign Exchange Differential Gain	3,274.50	-
Miscellaneous (Net of expenses)	453.78	459.97
	47,795.18	42,847.44

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 - 24

CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND SCRAP [(ACCRETION)/ DECRETION]

Work-in-Progress :

Closing Balance	124,615.33	129,007.73	
Opening Balance	129,007.73	134,166.28	
	4,392.40		5,158.55
Finished Goods :			
Closing Stock	16,440.29	15,807.89	
Opening Stock	15,807.89	15,379.41	
	(632.40)		(428.48)
Scrap :			
Closing Stock	307.88	150.06	
Opening Stock	150.06	153.27	
	(157.82)		3.21
	3,602.18		4,733.28

Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 25		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus/Ex-gratia	96,657.60	82,646.98
Gratuity	1,947.52	-
Contribution to Provident and Pension Funds	7,030.25	6,662.15
Management Contribution to BEL Superannuation (Pension) Scheme*	5,709.82	2,453.84
Less : Excess provision of earlier years reversed during the year	-	1,651.73
	5,709.82	802.11
Provision for BEL Retired Employees' Contributory Health Scheme	3,031.49	1,635.91
Welfare Expenses [including Salaries ₹ 1,119.75 (₹ 975.00) PF Contribution ₹ 77.88 (₹ 81.20)]	11,968.40	11,295.41
	126,345.08	103,042.56

* Includes provision towards Non Executives Pension Scheme.

NOTE - 26 **FINANCE COSTS**

Interest Expenses

Interest on Lease Finance	-	0.08
Interest on Dues to Micro & Small Enterprises	4.59	2.70
Interest on Income Tax	101.70	175.21
Other Interest Expenses	7.09	136.62
	113.38	314.61
Other borrowing costs		
Loan Processing Charges	25.00	25.00
	138.38	339.61

Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 27		
OTHER EXPENSES		
Power and Fuel [after adjusting ₹ 509.94 (₹ 559.98) Wind Energy Income]	3,578.21	3,399.41
Water charges	305.99	337.22
Royalty & Technical Assistance	326.20	1,395.43
Rent	2,511.10	2,353.52
Rates & Taxes	636.24	337.00
Insurance	762.03	727.60
Auditors Remuneration		
Audit Fees	11.72	10.78
Cost Audit Fee	3.00	5.00
Tax Audit Fees	2.19	2.16
Fees for Company Law Matters	0.10	0.93
Other Services (Certification Fees)	1.52	1.42
Reimbursement of Expenses	5.62	5.09
	24.15	25.38
Repairs & Maintenance :		
Buildings	2,302.26	1,456.37
Plant & Machinery	1,205.47	1,285.82
Others	7,893.76	7,451.75
	11,401.49	10,193.94
Bank Charges	455.17	255.42
Printing and Stationery	419.98	430.13
Advertisement & Publicity	1,161.38	481.95
Travelling Expenses	7,237.87	6,807.42
Hiring Charges for Van & Taxis	1,051.58	899.57
Excise Duty - Others	337.22	2.84
Packing & Forwarding	1,039.88	1,692.19
Bad Debts & Advances written off	269.33	1,245.72
Less : Charged to Provisions	267.51	1,048.94
	1.82	196.78
Provision for Obsolete/Redundant Materials	4,441.51	3,495.09
Provisions for Doubtful Debts, Liquidated damages, customers' claims and disallowances	19,190.71	28,550.71
Provision for Doubtful Advances, claims	259.23	199.28
Provision for Performance Warranty	326.78	745.81
Write off of Raw Materials, Stores & Components due to obsolescence and redundancy	290.57	1,023.75
Less : Charged to Provisions	149.92	844.32
	140.65	179.43
Corporate Social Responsibility	457.06	1,055.04
Others :		
Other Misc Direct Expenditure	2,119.69	2,927.95
After Sales Service	203.17	290.34
Telephones	630.76	583.16
Expenditure on Seminars & Courses	788.07	800.82
Other Selling Expenses	86.18	47.80
Foreign Exchange Differential Loss	-	1,079.16
Miscellaneous	5,637.87	2,818.20
	9,465.74	8,547.43
	65,531.99	72,308.59

The Foreign Exchange Differential Gain/Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/reporting date.

Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 28		
PRIOR PERIOD ITEMS		
Prior Period Income :		
Sales & Services	-	21.24
Grant	-	19.00
Others	57.57	11.86
Total Prior Period Income (A)	57.57	52.10
Prior Period Expenditure :		
Material Consumed	(19.92)	-
Depreciation	2.38	-
Others	-	(12.49)
Total Prior Period Expenditure (B)	(17.54)	(12.49)
Total Prior Period Items Net Income / (Expenditure) [(A) - (B)]	75.11	64.59

NOTE - 29

EARNING PER SHARE

Profit for the year - Before Extraordinary items	116,724.09	93,162.18
Profit for the year - After Extraordinary items	116,724.09	93,162.18
Number of Shares used in computing earnings per share	80,000,000	80,000,000
Earnings per Share - Basic & Diluted		
Before Extraordinary items (Amount in Rupees)	145.91	116.45
After Extraordinary items (Amount in Rupees)	145.91	116.45

NOTE - 30

GENERAL NOTES TO ACCOUNTS

- 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.
- The Company has changed the following Accounting Policies with effect from FY 2014-15 :
 - Basis of Accounting (Policy No. 1) - to take cognizance of the Companies Act, 2013.
 - Revenue Recognition (Policy No. 3) - to bring clarity on Accounting Policy relating to recognition of Service Income.
 - Depreciation / Amortisation (Policy No. 5) - to take cognizance of Schedule II to the Companies Act, 2013.
The financial impact of the change in above Accounting Policies during the Financial Year is as follows :
NIL in respect of A & B above and reduction in expenditure by ₹ 145.29 in respect of C above.
- 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, none of the Unit has found indications of Impairment of its Assets and hence no provision is considered necessary.
- The Company has been sanctioned working capital limit of ₹ 290,000 by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes a sub limit of ₹ 20,000 of fund based limit (interchangable with non fund based LC limits).
 - The interest rate payable on fund based limit is linked to SBI Base Rate plus 0.40%. (Interest rate payable as on 31 March 2015 is 10.40% p.a.).
 - The amount utilised is repayable on demand. Utilisation as on 31 March 2015 is NIL (NIL).
 - The above sanction limit is secured by hypothecation of Inventories and Trade Receivables.

Notes to Accounts

(₹ in Lakhs)

Particulars	2014-15	2013-14
5) A) Estimated amount of contracts remaining to be executed on Capital Account and not provided as on 31 March	15,481.10	13,989.55
B) 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	-	-

- 6) The Company being a Defence manufacturing company, has been granted exemption by Ministry of Corporate Affairs from the following disclosures required under Para 5 of Part II to Schedule VI of the Companies Act, 1956 (under General Instructions for preparation of Statement of Profit and Loss) in view of the sensitive nature of the information. Exemption is awaited in respect of Defence manufacturing companies under section 129(6) of the Companies Act, 2013. Accordingly, the following details under Para 5 of Part II to Schedule III of the Companies Act, 2013 (under General Instructions for preparation of Statement of Profit and Loss) are not disclosed :

Paragraph	Particulars
5 (ii) (a) (1)	Raw materials under broad heads
5 (ii) (a) (2)	Goods purchased under broad heads
5 (ii) (e)	Gross Income derived under broad heads
5 (iii)	Work-in-progress under broad heads
5 (viii) (a)	Value of imports calculated on C.I.F. basis by the company during the financial year in respect of; I) Raw materials; II) Components and spare parts; III) Capital Goods :
5 (viii) (b)	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;
5 (viii) (c)	Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;
5 (viii) (e)	Earnings in foreign exchange classified under the following heads, namely :- I) Export of goods calculated on F.O.B. basis; II) Royalty, know-how, professional and consultation fees; III) Interest and dividend; IV) Other income, indicating the nature thereof.

The above non disclosure has no financial effect.

- 7) Expenditure incurred on Research and Development during the year, which are included in the respective natural classification is given below :

Particulars	2014-15	2013-14
EXPENDITURE		
Materials	12,916.17	10,496.38
Employees Remuneration & Benefits	26,271.48	23,750.62
Depreciation	4,092.10	3,851.16
Others	10,315.81	8,411.42
Gross Expenditure	53,595.56	46,509.58
INCOME		
Sales	1,642.11	2,525.36
Others	2,845.04	2,427.80
Gross Income	4,487.15	4,953.16
Net Expenditure	49,108.41	41,556.42

Notes to Accounts

(₹ in Lakhs)

8) Contingent Liabilities :

Particulars	2014 - 15	2013 - 14
Claims not acknowledged as debts	17,681.39	17,930.62
Outstanding Letters of Credit	31,648.37	29,146.53
Others	523.35	560.65
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	10,954.67	15,736.49
Company has offered MTNL to get the Convergent Billing Project completed on BEL's risk and cost basis. Liability of the Company in this regard is not ascertainable at this stage.		

- 9) 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 will be made wherever considered necessary.
- 10) 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.
- 11) The following disclosure is made as per AS 7 (Accounting for Construction Contracts) in respect of Accounting Policy 3(i)(c) relating to revenue recognition on contracts :

Particulars	2014 - 15	2013 - 14
a) Contract revenue recognised during the year	-	272.83
b) Contract revenue was recognised using the percentage of completion method. Ratio of the actual cost incurred on the contracts till date to the estimated total cost of the contracts, was used to determine the stage of completion.		
c) Aggregate amount of cost incurred	-	43,168.26
d) Recognised profit upto 31 March (Net of Provision for Contingency)	-	3,636.49
e) Amount of advances received and Outstanding as at 31 March	-	-
f) The amount of retention	-	-

- 12) "Excise Duty" which is paid during the year in respect of turnover is shown as a deduction from Turnover (Gross) in the Statement of Profit and Loss. "Excise Duty – Others" which is included in Note No. 27 - "Other Expenses" represents incremental provision of Excise Duty on Finished Goods, Excise Duty paid on Sale of Scrap and Others.
- 13) The Company is engaged in manufacture and supply of strategic electronic products primarily to Defence Services and hence, it would not be in public interest for the Company to present segment information. For similar reasons, the Company is being granted exemption from publication in the Annual Accounts, certain disclosures (Refer Note 30(6)). The SEBI has also granted exemption, for these reasons, to the Company from publication of segment information required under Accounting Standard 17 (AS 17) in quarterly unaudited financial results. Hence, Segment information required under AS 17 is not disclosed. Such non disclosure has no financial effect.
- 14) 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 ₹ 1,01,116.92 (₹ 42,539.00).
- 15) Related Party Disclosure :
- (a) The related parties and their relationship with the Company are as under :
- Subsidiary Company viz.,
BEL Optronics Devices Ltd. - Equity Holding 92.79%; and
BEL-THALES Systems Ltd. - Equity Holding 74.00%;
 - Joint Venture Companies :
GE BE Private Ltd. - Equity Holding 26.00%; and
BEL Multitone Private Ltd. - Equity Holding 49.00% *

Notes to Accounts

(₹ in Lakhs)

The transactions with Related Parties are as follows (Previous Year figures are shown in brackets).

Sl. No.	Particulars	Subsidiaries		Joint Ventures		Grand Total
		BEL Optronics Devices Ltd	BEL-THALES Systems Ltd #	GE BE Pvt Ltd	BEL Multitone Pvt Ltd *	
1	Purchase of Goods	6,359.36	-	26.95	-	6,386.31
		(11,049.16)	-	-	-	(11,049.16)
2	Sale of Goods	1.28	-	2,759.51	-	2,760.79
		-	-	(2,143.32)	-	(2,143.32)
3	Rendering Services	-	-	-	-	-
		-	-	(0.39)	-	(0.39)
4	Rent Received	-	12.08	-	0.25	12.33
		-	-	-	(0.43)	(0.43)
5	Dividend Income on Investments	-	-	260.00	-	260.00
		-	-	(260.00)	-	(260.00)
6	Trade Payables Outstanding as on 31.03.2015	294.52	-	-	-	294.52
		(764.16)	-	-	-	(764.16)
7	Trade Receivables Outstanding as on 31.03.2015	-	3.17	348.21	-	351.38
		-	-	(480.76)	-	(480.76)
8	Investment in Equity as on 31.03.2015	936.08	710.40	260.00	-	1,906.48
		(936.08)	-	(260.00)	(31.88)	(1,227.96)
9	Advances for Purchase Outstanding as on 31.03.2015	1,250.10	-	-	-	1,250.10
		(7,027.68)	-	-	-	(7,027.68)

* BEL Multitone Private Limited has been wound up as on 31 March 2015 and report submitted to Official Liquidator. Consequently, value of Investments of ₹ 31.88 has been written off. The impact on Statement of Profit and Loss is ₹ 1.98 after considering provision of ₹ 29.90 made in earlier years.

BEL-THALES Systems Limited has been Incorporated on 28.08.2014.

- (b) (i) The amount of ₹ 15,624.00 received by the Company from MoD, upto 31.03.2013, on behalf of BELOP (out of total receivable of ₹ 26,040.00) towards funding of ToT cost of XD-4 II Tubes, being acquired by BELOP (Subsidiary) from PHOTONIS France S.A.S., has been passed on to BELOP as on 31.03.2014.
- (ii) The Company has entered into an Agreement with BELOP in April, 2013 to temporarily fund the amount of ₹ 10,416.00 (₹ 26,040.00 less ₹ 15,624.00) for enabling BELOP to make payment towards ToT for XD-4 II Tubes, pending receipt of balance amount from MoD. As on 31 March 2015, an amount ₹ 9,357.13 (₹ 8,404.88) has been paid to BELOP, out of which an amount of ₹ 6,176.69 (₹ 6,176.69) has been received from MoD. The balance amount of ₹ 3,180.44 (₹ 2,228.19) has been shown under Other Non-Current Assets (Refer Note 16).

As per the Agreement, an amount of ₹ 280.48 (PY ₹ 198.62) has been recovered during the financial year from BELOP towards the cost of funds in the form of Price Reduction.

Notes to Accounts

(₹ in Lakhs)

(c) Management Contracts including deputation of Employees :

One Official of BEL has been deputed to BEL Optronic Devices Ltd (Subsidiary) and Four Officials have been deputed to BEL-THALES Systems Limited (Subsidiary) and their Salary and Other Costs is paid by BELOP and BEL-THALES respectively during the year as per terms and conditions of employment.

(d) The key management personnel & their remuneration details are as follows :

The total salary including other benefits drawn by the key management personnel during the year 2014-15 is ₹ 305.52 (₹ 263.20) as detailed below :

Names with Designation	Year	Salary & Allowances incl. Benefits*	Contribution to PF, BEL Superannuation (Pension) Scheme & Incremental Gratuity / Leave / BERECHS	Arrears of Pension Contribution to BEL Superannuation (Pension) Scheme (Up to 31.03.2013)	Leased Accommodation	Others	Total
Shri S K Sharma	2014-15	24.72	9.36	-	7.50	8.07	49.65
CMD from 01.01.14 & Dir [BG Cx] upto 31.12.13	2013-14	27.84	6.13	1.62	6.38	2.91	44.88
Shri Anil Kumar	2014-15	-	-	-	-	-	-
CMD upto 31.12.13	2013-14	24.09	2.58	3.13	-	4.12	33.92
Shri M L Shanmukh	2014-15	28.97	11.04	-	6.00	8.81	54.82
Dir [HR]	2013-14	28.30	7.16	5.86	6.00	3.47	50.79
Shri P R Acharya	2014-15	27.74	6.14	-	-	4.46	38.34
Director [Finance] from 02.09.13	2013-14	15.30	4.19	-	-	-	19.49
Shri P C Jain	2014-15	25.59	9.23	-	-	5.24	40.06
Dir [Mktg] from 01.09.13	2013-14	14.25	7.94	-	-	1.08	23.27
Shri H N Ramakrishna	2014-15	-	-	-	-	-	-
Dir [Mktg] upto 31.08.13	2013-14	11.86	2.12	3.47	-	3.08	20.53
Shri Ajit T Kalghatgi	2014-15	23.41	7.36	-	6.00	7.15	43.92
Dir [R&D]	2013-14	21.53	6.88	0.62	-	2.13	31.16
Shri Amol Newaskar	2014-15	23.71	7.07	-	6.00	7.21	43.99
Dir [Other Units]	2013-14	25.26	4.47	0.87	6.00	2.56	39.16
Shri M M Handa	2014-15	17.19	11.71	-	3.23	2.61	34.74
Dir [BgCx] from 24.06.2014	2013-14	-	-	-	-	-	-
Total [Current Year]	2014-15	171.33	61.91	-	28.73	43.55	305.52
Total [Previous Year]	2013-14	168.43	41.47	15.57	18.38	19.35	263.20

* includes terminal benefits at the time of retirement.

Notes to Accounts

(₹ in Lakhs)

16) Interest in Joint Venture Companies (JVCs) :

Disclosure of interest in Joint Venture, as per Accounting Standard 27 is as under :

Name of Joint Ventures	Proportionate Ownership of BEL
(a) GE BE Private Limited	26%
(b) BEL Multitone Private Limited *	49%
Country of Incorporation	India
* BEL Multitone Private Limited has been wound up as on 31 March 2015 and report submitted to Official Liquidator.	

The proportionate share of Assets, Liabilities, Income and Expenditure of the above JVCs are given below :

Particulars	GE BE Pvt. Ltd. (Audited)		BEL Multitone Pvt. Ltd. (Audited)
	2014-15	2013-14	2013-14
EQUITY AND LIABILITIES			
Share Capital	260.00	260.00	31.88
Reserves & Surplus	18,436.86	15,885.74	(29.43)
Non-Current Liabilities			
Long-term Borrowings	34.58	27.04	-
Other Long Term Liabilities	-	-	-
Long-term Provisions	36.66	18.98	-
Current Liabilities			
Short Term Borrowings	-	-	-
Trade Payables	1,997.58	1,993.42	-
Other Current Liabilities	250.12	244.92	-
Short-term Provisions	456.30	304.20	-
TOTAL - EQUITIES AND LIABILITIES	21,472.10	18,734.30	2.45
ASSETS			
Non Current Assets			
Fixed Assets - Tangible Assets	2,781.48	2,164.24	-
Capital Work in progress	35.62	205.14	-
Investments	-	-	-
Deferred Tax Assets	134.94	207.22	-
Long-term Loans & Advances	840.84	749.84	-
Other Non Current Assets	-	-	-
Current Assets			
Inventories	2,294.24	1,630.72	-
Trade Receivables	1,153.10	2,070.90	-
Cash & Bank Balances	900.12	121.16	2.45
Short-term Loans & Advances	13,255.32	11,337.82	-
Other Current Assets	76.44	247.26	-
TOTAL ASSETS	21,472.10	18,734.30	2.45

Notes to Accounts

(₹ in Lakhs)

Particulars	GE BE Pvt. Ltd. (Audited)		BEL Multitone Pvt. Ltd. (Audited)
	2014-15	2013-14	2013-14
REVENUE FROM OPERATION			
Sale of Manufactured Products (Gross)	18,213.78	15,097.94	-
Less : Excise Duty	23.66	16.64	-
Net Sale of Manufactured Products	18,190.12	15,081.30	-
Sale of Services	652.86	680.16	-
Other Operating Revenue	73.58	69.68	-
Total Revenue from Operations	18,916.56	15,831.14	-
Other Income	1,334.84	864.24	12.26
Total Income (A)	20,251.40	16,695.38	12.26
EXPENDITURE			
Cost of Material Consumed	12,918.10	10,817.30	-
Change in inventories of Finished Goods, WIP & Scrap	(383.76)	173.68	-
Employee Benefits Expenses	982.28	875.16	-
Finance Costs	8.06	6.24	-
Depreciation and Amortization Expense	341.64	587.86	-
Other Expenses	1,828.06	1,749.54	3.32
Total Expenditure (B)	15,694.38	14,209.78	3.32
Profit Before Tax (A)-(B)	4,557.02	2,485.60	8.94
Tax Expense (C)			
Current Tax	1,434.68	850.72	1.31
Earlier Years	(5.46)	(0.78)	-
Deferred Tax	72.28	5.98	-
Profit / (Loss) after Tax (A)-(B)-(C)	3,055.52	1,629.68	7.63

17) The company's share of contingent liabilities in the JVCs is as under.

Particulars	GE BE Pvt. Ltd. (Audited)		BEL Multitone Pvt. Ltd. (Audited)
	2014-15	2013-14	2013-14
Capital Commitments	132.86	55.90	-
Other Commitments	-	-	-
Other Contingent Liabilities	1,429.22	1,338.22	-

18) BEL Multitone Pvt. Ltd. (Joint Venture Company) was under liquidation consequent to Special Resolution passed by its Members on 25.11.2013 for Members' Voluntary winding up. As on 31 March 2015, all the assets of the Company have been disposed off and all dues settled. Approval for closure of winding up procedure has been accorded by its Members at General Meeting held on 31 March 2015. The liquidator has sent the report to Registrar of Companies & Official Liquidator for issuance of winding up order.

Notes to Accounts

(₹ in Lakhs)

19) Pursuant to the announcement of the ICAI requiring the disclosure of "Foreign Exchange Exposure", the major currency-wise exposure as on 31 March 2015 is given below. (Previous year figures are shown in brackets).

Currency	Payables		Receivables		Contingent Liability*	
	Foreign Currency	Indian Rupee equivalent	Foreign Currency	Indian Rupee equivalent	Foreign Currency	Indian Rupee equivalent
USD	419.03 (552.86)	26,448.60 (33,258.82)	328.89 (205.76)	20,446.70 (12,195.87)	381.73 (452.62)	24,121.31 (27,433.33)
EURO	104.68 (194.99)	7,176.28 (16,308.84)	11.71 (23.74)	780.04 (1,843.68)	143.16 (74.21)	9,814.71 (6,207.49)
GBP	20.61 (22.39)	1,930.20 (2,260.90)	0.74 (0.79)	67.90 (77.52)	29.73 (13.74)	2,785.31 (1,388.64)
JYEN	42.15 -	22.23 -	- -	- -	- -	- -
SGD	0.17 (1.27)	7.83 (61.26)	- -	- -	- (0.02)	- (0.76)
CHF	86.96 (83.04)	5,693.98 (5,703.17)	- -	- -	1.66 (3.34)	108.65 (229.71)
CANADIAN DOLLAR	- (0.08)	- (4.16)	- -	- -	- -	- -
OTHERS		2,683.16 (713.87)		208.70 (58.10)		- -
Total (₹)		43,962.28 (58,311.02)		21,503.34 (14,175.17)		36,829.98 (35,259.93)
Amount covered by Exchange Rate variation clause from Customers out of the above		14,497.80 (27,152.78)		- -		16,317.97 (13,875.14)

* includes exposures relating to outstanding Letters of Credit and Capital Commitments.

During the FY 2014-15, the Company has not entered Forward Contracts to cover Foreign Currency fluctuations in respect of Firm Commitments. There are no outstanding Forward Contracts as on 31 March 2015.

20) Disclosure relating to CSR Expenditure

- a) Gross amount required to be spent by the Company during the FY 2014-15 is ₹ 2,303.93
b) Amount spent during the FY 2014-15 :

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total	Appropriation for unspent amount	CSR Grand Total
i)	Construction / Acquisition on any asset	-	-	-	-	-
ii)	Purposes other than (i) above	396.71	60.35	457.06	1,846.87	2,303.93

21) Previous year's figures have been regrouped/reclassified wherever necessary. Figures in brackets relate to Previous Year.

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

S K Sharma
Chairman & Managing Director

P R Acharya
Director (Finance)

N Srinivasan
Partner
Membership No. 027887

S Sreenivas
Company Secretary

Bengaluru
29 May 2015

Cash Flow Statement

		(₹ in Lakhs)	
Particulars	2014 - 15	2013 - 14	
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Profit Before Tax as per Statement of Profit & Loss	146,668.67	117,473.95	
Adjustments for :			
Extraordinary Items	-	-	
Depreciation and Amortization Expense	15,398.87	14,210.45	
Provision for Employee Benefits	10,169.14	(12,215.67)	
Provision for Performance Guarantee	268.78	745.81	
Corporate Social Responsibility	457.06	1,055.04	
Interest Income	(41,974.17)	(41,366.49)	
Dividend Income	(260.00)	(260.00)	
Finance Cost	138.38	339.61	
Profit on Sale of Fixed Assets	(123.23)	(601.18)	
Write off Investments in JVC	1.98	-	
Transfer from Government Grants	(406.74)	(949.96)	
Operating Profit Before Working Capital Changes	130,338.74	78,431.56	
Adjustments for :			
Trade Receivables & Advances	81,027.39	(65,440.72)	
Inventories	(5,673.75)	(9,905.76)	
Trade Payables & Advances	(37,001.47)	(52,862.23)	
Cash Generated from Operations	168,690.91	(49,777.15)	
Receipt of Grants	56.00	294.05	
Corporate Social Responsibility (CSR) Expenditure	-	(243.12)	
Direct Taxes Paid (Net)	(33,803.21)	(19,798.42)	
Cash Flow Before Extraordinary Items	134,943.70	(69,524.64)	
Extraordinary Items	-	-	
Net Cash from / (used in) Operating Activities	134,943.70	(69,524.64)	
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets	(21,766.39)	(25,311.21)	
Sale of Fixed Assets	183.14	608.93	
Increase / (Decrease) in Bank Deposits & Other Bank Balances	(104,166.82)	70,320.38	
Equity investments in Subsidiary / Others	(715.40)	-	
Interest Received	41,974.17	41,366.49	
Dividend Received	260.00	260.00	
Net Cash from/(used in) Investing Activities	(84,231.30)	87,244.59	
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Increase/(Decrease) in Long-term Borrowings	-	(1.36)	
Corporate Social Responsibility (CSR) Expenditure	(1,071.91)	-	
Dividend Paid (including Tax on Dividend)	(21,952.48)	(20,871.22)	
Finance Cost	(138.38)	(339.61)	
Net Cash from/(used in) Financing Activities	(23,162.77)	(21,212.19)	
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	27,549.63	(3,492.24)	
Cash and Cash Equivalents at the beginning of the Year	174,731.07	178,223.31	
Cash and Cash Equivalents at the end of the Year	202,280.70	174,731.07	

Notes :

- The above statement has been prepared under indirect method as per Accounting Standard on Cash Flow Statement (AS - 3).
- Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and end of the period and treated as Investing Activities.
- Cash and Cash Equivalents consists of Cash on hand, Balances with Banks, and Deposits having a maturity period of three months or less from the date of deposit. Cash and Bank Balance shown in Note 19 is inclusive of ₹ 385,852.08 (₹ 281,669.38) being the deposits having a original maturity period of more than three months.
- Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

S K Sharma
Chairman & Managing Director

P R Acharya
Director (Finance)

N Srinivasan
Partner
Membership No. 027887

S Sreenivas
Company Secretary

Bengaluru
29 May 2015

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BHARAT ELECTRONICS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries referred to as "the Group") and Jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) in the case of the consolidated balance sheet, of the state of affairs of the company as at 31 March 2015.
- b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other Matter

- a) We did not audit the financial statements of two subsidiaries viz BEL Optronics Limited & BEL Thales System Limited, and two Jointly controlled entities viz. GEBE Private Limited. & BEL Multitone Private Limited., whose financial statements reflect total assets of ₹ 56346.16 lakhs as at 31 March 2015, total revenues of ₹ 35248.65 lakhs and net cash outflows of ₹ 496.90 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 3259.76 lakhs for the year ended 31 March 2015 after adjusting loss of ₹ 162.45 lakhs of the subsidiary BEL Thales Systems Limited, as considered in the consolidated financial statements, whose financial statements 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 jointly controlled entities and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and Jointly controlled entities, is based solely on the reports of the other auditors.

- b) We draw attention to Note No. 31(11) regarding disclosure of segment information as required under AS-17.
- c) BEL Multitone Private Limited, a Joint Venture Company has been liquidated whose assets have been realized and liabilities have been discharged and hence there are no assets or liabilities required to be consolidated.

Consequently, the Holding Company has written off the value of investments in BEL Multitone Private Limited in its books of account.

Our opinion on the consolidated financial statements and our report on 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company, subsidiary companies and Jointly controlled entities incorporated in India, we give in the Annexure 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, 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 the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with, by this Report is in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as at 31 March 2015 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies and Jointly controlled entities incorporated in India, none of the directors of the Group and Jointly controlled entities incorporated in India are disqualified as at 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 Jointly controlled entities— Refer Note No 31 (10) to the consolidated financial statements.
 - ii. We are given to understand that the Group and Jointly controlled entities do not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and Jointly controlled entities incorporated in India.

For **Badari, Madhusudhan & Srinivasan**

Chartered Accountants

Firm Registration Number : 005389S

N. SRINIVASAN

Partner

Membership No. 027887

Bengaluru
29 May 2015

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT (Referred to in Report on Other Legal & Regulatory Requirement)

- (i) (a) The Group and its Jointly controlled entities has generally maintained proper records showing full particulars including quantitative details and situation 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 business and discrepancies, if any, were properly dealt with on such verification during the year.
- (ii) (a) The raw materials, stores and spare parts, tools, work-in-progress, semi-finished goods and finished goods inventory(excluding stock with third parties and material in transit) have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Group and its Jointly controlled entities is maintaining proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records are not material, and has been dealt with properly in the books of account.

In respect of materials with sub-contractors, confirmations have been received generally and reconciled with the book records. However, in case of such items for which no confirmations have been received, which are not significant, the Group and its Jointly controlled entities has dealt with the same by making adequate provision in the books of account.

- (iii) According to the information and explanations given to us, the Group and its Jointly controlled entities has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, clause (iii)(a) & (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate within the Group and its Jointly controlled entities and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services. During the course of our audit, no major weaknesses in the internal controls have been noticed.
- (v) According to the information and explanations given to us, the Group and its Jointly controlled entities has not accepted any deposits 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. All deposits had matured and settled except for ₹ 36.95 lakhs, out of which ₹ 36.50 lakhs is being retained as per Garnishee Order of Lokayukta, Bengaluru and the balance of ₹0.45 lakhs though matured is unpaid due to legal issues.

In our opinion and according to the information and explanations given to us and based on our examination of records, the Group and its Jointly controlled entities has complied with the provisions of Section 73 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

- (vi) The Group and its Jointly controlled entities pursuant to sub-section (1) of section 148 of the Companies Act for the maintenance and audit of cost records prescribed by the Central Government, wherever applicable, has maintained cost records. We are of the opinion that prima facie the prescribed cost accounts and cost records have been made and maintained. We have not however made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Group and its Jointly controlled entities is regular in remittance of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues. According to the information and explanations given to us, no undisputed statutory dues are outstanding as at 31 March 2015, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed amounts that remain unpaid as at 31 March 2015 for a period of more than six months from the date they became payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues with the exception of the following :

Name of statute	Nature of dues	Financial year to which amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
Sales tax Act, Bihar	Sales Tax	1995-97	66.44	Commissioner of Commercial Tax (Appeals), Chirkunda, Bihar
Central sales Act, 1956	Sales Tax	2012-13	1,683.63	JC (Appeals)
Karnataka VAT Act, 2003	Sales Tax	2006-07 to 2011-12	554.11	JC (Appeals)
Finance Act - Service Tax	Service Tax	2009-10	103.38	CESTAT
Finance Act - Service Tax	Revisionary Show cause Notice	2008-09	34.01	Commissioner
Central Excise Act	Modvat credit	1991-92	23.65	Dy. Commissioner
Central Excise Act	Excise Duty	1991-92	6.04	Commissioner (Appeals)
Central Excise Act	Excise duty	1991-92	8.67	Commissioner
Central Excise Act	Excise duty	1991-92	0.20	Commissioner
Customs Act	Custom Duty	2012-13	103.52	CESTAT
APVAT	APVAT	2005-06 to 2007-08	46.58	Sales Tax Appellate Tribunal
APVAT	APVAT	2013-14	134.10	ADC(Appeals)
CST	CST	2005-06 to 2007-08	1,346.14	Sales Tax Appellate Tribunal
CST	CST	2011-12	834.73	ADC(Appeals)
Finance Act 1994-Service tax	Service Tax	2007-08	10.58	CESTAT
Sales Tax Act	Sales Tax	2007-08 to 2009-10	48.00	Appellate Authority
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, Chennai
Sales Tax	Sales Tax dues & benefit of Concessional Form C	1980-81	8.63	Case remanded to Deputy Commissioner (Appeal)
Sales Tax	Benefit of concessional Form D not allowed	1989-90	2.47	Case remanded to AC(Appeal)
Sales Tax	Acceptance of Duplicate Copy of 3D(1)	1991-92	1.32	Appeal Filed with DC (Appeal) for acceptances of duplicate copy of 3D(1)
ESI ACT, 1984	Interest and damage to late deposit	1996-97	3.52	Punjab & Haryana High Court Chandigarh
Sales Tax Act	Sales Tax	2008-09	260.48	Joint commissioner (Appeals)
Sales Tax Act	Sales Tax	2009-10	242.89	Joint commissioner (Appeals)
Sales Tax Act	Sales Tax	2008-09	112.93	Dy. Commissioner (Appeals)
Sales Tax	Trade tax dues	2001-02	220.08	Uttarakhand high court Nainital
Sales Tax	Trade tax dues	2000-01	141.08	Uttarakhand high court Nainital
Octroi Tax	Octroi Demand	2004-05	13.91	Sr. Division Bench of Pune court
Finance Act 1994 - Service Tax	Service tax	2014-15	12.62	Commissioner of Central Excise (Appeal)

Joint Venture			₹ in lakhs	Holding Company's Share (26%)	
Income Tax Act, 1961	Tax/Penalty/Interest	2009-10	178.00	46	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2008-09	58.00	15	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2007-08	2,513.00	653	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2006-07	1,991.00	518	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2005-06	77.00	20	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2004-05	62.00	16	Income Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2003-04	27.00	7	The Honorable High Court, Karnataka
Income Tax Act, 1961	Tax/Penalty/Interest	2002-03	34.00	9	The Assessing officer, Bengaluru
Income Tax Act, 1961	Tax/Penalty/Interest	2000-01	14.00	4	The Honorable High Court, Karnataka
The Finance Act, 1994- Service Tax	Tax/Penalty/Interest	2007-09	121.00	31	Custom, Excise and Service tax Appellate tribunal - Karnataka
Customs Act, 1962	Tax/Penalty/Interest	2003-06	218.00	57	The Honorable High Court, Karnataka
Customs Act, 1962	Tax/Penalty/Interest	1999-00	32.00	8	The Honorable High Court, Karnataka
Karnataka VAT Act, 2003	Tax/Penalty/Interest	2008-09	171.00	44	Deputy Commissioner of Commercial Tax, Bengaluru
Grand Total				11,571.50	
Total amount paid under protest pending final order				3637.25	

- (c) The requirement of transfer to investor education and protection fund is in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Group and its Jointly controlled entities do not have any accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year except in case of loss for the year incurred by BEL Thales Systems Limited, a subsidiary.
- (ix) On the basis of examination of records of the Group and its Jointly controlled entities and information and explanations given to us, the Group and its Jointly controlled entities has not defaulted in repayment of dues to a bank, financial institution or others.
- (x) According to the information and explanations given to us, the Group and its Jointly controlled entities have not given any guarantees for loan taken by others from a bank or financial institution.
- (xi) The Group and its Jointly controlled entities have not availed any term loan and hence, this clause is not applicable.
- (xii) During the course of our examination of the books of account and records of the Group and its Jointly controlled entities carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Group and its Jointly controlled entities noticed or reported during the year nor have we been informed of any such case by the Management, that causes the financial statements to be materially misstated.

For **Badari, Madhusudhan & Srinivasan**

Chartered Accountants

Firm Registration Number : 0053895

N. SRINIVASAN

Partner

Membership No. 027887

Bengaluru

29 May 2015

Significant Accounting Policies on the Consolidated Financial Statements (CFS) for the year 2014-15

1. BASIS OF ACCOUNTING

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014], 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 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 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. REVENUE RECOGNITION

(i) Revenue from sale of goods is recognised as under :

- a. In the case of FOR contracts, 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. Revenue is recognised even if goods are retained with the company at the request of the customer.
- b. In the case of ex-works contracts, when the specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.

- c. In the case of contracts for supply of complex equipments/systems where the normal cycle time of completion/delivery period is more than 24 months and the value of the equipment/system is more than ₹ 100 crores, revenue is recognised on the "percentage completion" method. Percentage completion is based on the ratio of actual costs incurred on the contract upto the reporting date to the estimated total cost of the contract.

Since the outcome of such a contract can be estimated reliably only on achieving certain progress, revenue is recognised upto 25% progress only to the extent of costs. After this stage, revenue is recognised on proportionate basis and a contingency provision equal to 20% of the surplus of revenue over costs is made while anticipated losses are recognised in full.

- d. If the sale price is pending finalisation, revenue is recognised on the basis of price expected to be realised. Where break up prices of sub units sold are not provided for, the same are estimated.
- e. Price revisions and claims for price escalations on contracts are accounted on admittance.
- f. In case of a composite contract, where separate fee for installation and commissioning is not stipulated and the supply is effected and installation and commissioning work is pending, the estimated costs to be incurred on installation and commissioning activity is provided for and revenue is recognised as per the contract.
- g. Sales exclude Sales Tax / Value Added Tax (VAT) and include Excise Duty.

(ii) Revenue from Service Income is recognised as under :

- a. Where installation and commissioning is stipulated and price for the same agreed

separately, revenue relating to installation and commissioning is recognised on conclusion of installation and commissioning activity.

- b. Revenue in respect of Maintenance Contracts is recognized on accrual basis.
- c. Revenue in respect of other categories of services is recognized on rendering of service.

(iii) Other income is recognised on accrual.

4. FIXED ASSETS, CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT :

(i) Tangible Assets :

Tangible Fixed Assets are stated at cost less accumulated depreciation / amortisation including where the same is acquired in full or in part with government grant. Cost for this purpose includes all attributable costs for bringing the asset to its location and condition, cost of computer software which is an integral part of the related hardware, and also includes borrowing costs during the acquisition / construction phase, if it is a qualifying asset requiring substantial period of time to get ready for intended use. The cost of Fixed Assets acquired from a place outside India includes the exchange differences if any, arising in respect of liabilities in foreign currency incurred for acquisition of the same upto 31.03.2007.

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 and the cost of Fixed Assets that are not yet ready for their intended use as at the balance sheet date.

(ii) Intangible Assets :

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

use as at the Balance Sheet date are classified as "Intangible Assets under Development".

(iii) Impairment of Assets :

The Company assesses the impairment of assets with reference to each Cash Generating Unit (CGU) at each Balance Sheet date if events or changes in circumstances, based on internal and external factors, indicate that the carrying value may not be recoverable in full. The loss on account of impairment, which is the difference between the carrying amount and recoverable amount, is accounted accordingly. Recoverable amount of a CGU is its Net Selling Price or Value in Use whichever is higher. The Value in Use is arrived at on the basis of estimated future cash flows discounted at Company's pre-tax borrowing rates.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset, either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

5. DEPRECIATION / AMORTISATION

Tangible depreciable Fixed Assets are generally depreciated on straight-line method over the useful life of the assets estimated by the Management and in the manner prescribed in Schedule II to the Companies Act, 2013.

Where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and the significant part depreciated on straight-line method over its estimated useful life.

Special instruments are amortized over related production. Intangible Assets are amortized over a period of three years on straight-line method. Prorata depreciation / amortization is charged from / upto the date on which the assets are ready to be put to use / are deleted or discarded. Leasehold land is amortised over the period of lease.

6. BORROWING COSTS

Borrowing costs that are specifically attributable to qualifying assets as defined in Accounting Standard AS 16 are added to the cost of such assets until use or sale and the balance expensed in the year in which the same is incurred.

7. RESEARCH & DEVELOPMENT EXPENDITURE

- (i) Research and Development expenditure (other than on specific development- cum sales contracts and R&D projects initiated at customer's request), is charged off as expenditure when incurred. R&D expenditure on development - cum - sale contracts and on R&D projects initiated at customer's request are treated at par with other sales contracts.
- (ii) Where R&D projects are initiated at customer's request, and such projects do not fructify into a customer order, the total expenditure booked in respect of such projects is charged off in the year the project is closed.
- (iii) R&D expenditure on Fixed Assets is capitalised.

8. GOVERNMENT GRANTS

All Grants from Government are initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

The amount lying in Deferred Income on account of Revenue Expenses is transferred to the credit of Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

Grants in the nature of promoter's contribution are credited to Capital Reserve.

9. INVESTMENTS

- (i) Investments are categorised as Trade Investments or Other Investments. Trade investments are the

investments made to enhance the Company's business interests.

- (ii) Investments are further classified either as long-term or current based on the Management's intention at the time of purchase. Long term investments are valued at acquisition cost. Any diminution in the value other than of temporary nature is provided for. Current investments are carried at lower of cost or fair value.

10. INVENTORY VALUATION

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. Finished goods at factories include applicable excise duty. Adequate provision is made for inventory which are more than five years old which may not be required for further use.

11. TRADE RECEIVABLES AND OTHER RECEIVABLES

- (i) Full provision is made for all Trade Receivables and Other Receivables considered doubtful of recovery having regard to the following considerations :
 - (a) Time barred dues from the government / government departments / government companies are generally not treated as doubtful.
 - (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.
- (ii) Provision for bad and doubtful dues is generally made for dues outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realisable based on a case to case review.

12. INCOME TAX

Tax expense comprising current tax after considering deferred tax as determined under the prevailing tax laws

are recognised in the Statement of Profit and Loss for the period.

Certain items of income and expenditure are not considered in tax returns and financial statements in the same period. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset / liability. The effect on deferred tax assets and liabilities due to change in such assets / liabilities as at the end of the accounting period as compared to the beginning of the period and due to a change in tax rates are recognised in the Statement of Profit and Loss for the period.

13. 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.

14. FOREIGN CURRENCY TRANSACTIONS

Foreign exchange transactions including that of integral foreign branches are recorded using the exchange rates prevailing on the dates of the respective transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at period-end rates. The resultant exchange difference arising from settlement of transactions during the period and translations at the period end, except those upto 31.03.2007 relating to acquisition of Fixed Assets from a place outside India, is recognised in the Statement of Profit and Loss. Exchange differences relating to the acquisition of Fixed Assets were adjusted in the carrying cost of the Fixed Assets till 31.03.2007.

Premium or discount arising at the inception of the forward exchange contract is amortised as income / expenditure over the life of the contract. Premium arising at the time of entering into an Options contract is charged off at the time of inception of the Contract.

The exchange rate differences on the amount of forward exchange contracts between the rate on the last reporting date / the rate at the time of entering into a contract during the period and the rate on the settlement date / reporting date are recognised in the Statement of Profit

and Loss in the reporting period in which the exchange rates change.

In accordance with the announcement of ICAI on Accounting for Derivatives, Forward Exchange Contracts/ Options Contracts entered into to Hedge the Foreign Currency Risk of a "Firm Commitment" or a Highly Probable forecast transaction and outstanding as on reporting date are valued on Marked to Market basis and losses, if any, are adjusted in the Statement of Profit and Loss. Any gain on Marked to Market valuation is not recognized by the company keeping in view the principle of prudence as enunciated in AS-1- Disclosure of Accounting Policy.

Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period when the cancellation or renewal occurs.

15. 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.

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.

- (ii) (a) Defined contribution to Employee Pension Scheme is made on monthly accrual basis at the applicable rates.
- b) Defined contribution to Superannuation Pension Scheme is made on Annual basis at the applicable rates.

- (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) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

16. PRIOR PERIOD ADJUSTMENTS AND EXTRAORDINARY ITEMS

Prior period adjustments and extraordinary items having material impact on the financial affairs of the Company are disclosed.

17. TECHNICAL KNOW-HOW

Revenue Expenditure incurred on technical know-how is charged off to Statement of Profit and Loss on incurrence.

18. PROVISIONS AND CONTINGENT LIABILITIES

Provisions for losses and contingencies arising as a result of a past event where the Management considers it probable that a liability may be incurred, are made on the basis of the best reliable estimate of the expenditure required to settle the present obligation on the Balance Sheet date, and are not discounted to its present value. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Significant variations thereof are disclosed.

Contingent liabilities to the extent the Management is aware, are disclosed by way of notes to the accounts.

19. CASH FLOW STATEMENT

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statements.

20. BASIS OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with the Accounting Standards issued by the Central Government [as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014].

Accounting Standard 21 (Consolidated Financial Statements) in respect of the Subsidiary company and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) in respect of Joint Venture Companies.

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

N Srinivasan
Partner
Membership No.027887

Bengaluru
29 May 2015

S K Sharma
Chairman & Managing Director

S Sreenivas
Company Secretary

P R Acharya
Director (Finance)

Consolidated Balance Sheet as at 31 March 2015

(₹ in Lakhs)

PARTICULARS	Note No.	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	1	8,000.00	8,000.00
(b) Reserves & Surplus	2	803,683.58	714,025.79
		811,683.58	722,025.79
(2) Minority Interest	2A	610.53	376.72
(3) Government Grants	3	20,087.62	22,058.27
(4) Non-Current Liabilities			
(a) Long-Term Borrowings	4	34.58	27.04
(b) Other Long-Term Liabilities	5	109.97	758.38
(c) Long-Term Provisions	6	43,414.95	35,683.50
		43,559.50	36,468.92
(5) Current Liabilities			
(a) Short-Term Borrowings		2,472.87	-
(b) Trade Payables	7	118,433.14	123,398.12
(c) Other Current Liabilities	8	540,561.63	568,422.83
(d) Short-Term Provisions	9	35,151.35	24,819.54
		696,618.99	716,640.49
TOTAL		1,572,560.22	1,497,570.19
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	88,817.76	69,423.84
Less : Unrealised Profit		0.12	0.12
		88,817.64	69,423.72
(ii) Intangible Assets	11	18,482.94	49.77
(iii) Capital Work-in-Progress	12	14,021.23	26,894.02
(iv) Intangible Assets under development	13	11.99	18,928.59
(b) Non Current Investments	14	5.05	0.05
(c) Deferred Tax Assets (Net)	15	33,843.41	30,151.77
(d) Long-Term Loans & Advances	16	7,829.80	6,872.53
(e) Other Non Current Assets	17	8,959.47	9,373.11
		171,971.53	161,693.56
(2) Current Assets			
(a) Inventories	18	342,421.44	333,973.82
(b) Trade Receivables	19	380,531.89	415,587.83
(c) Cash & Bank Balances	20	603,792.49	460,453.18
(d) Short-Term Loans & Advances	21	68,408.83	118,979.20
(e) Other Current Assets	22	5,434.04	6,882.60
		1,400,588.69	1,335,876.63
TOTAL		1,572,560.22	1,497,570.19

Accounting Policies & Note No. 1 to 31 form part of Financial Statements.

As per our report of even date attached

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

S K Sharma
Chairman & Managing Director

P R Acharya
Director (Finance)

N Srinivasan
Partner
Membership No. 027887

S Sreenivas
Company Secretary

Bengaluru
29 May 2015

Consolidated Statement of Profit & Loss for the year ended 31 March 2015

(₹ in Lakhs)

PARTICULARS	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
I. REVENUE FROM OPERATIONS			
(i) Turnover			
(a) Sale of Products		632,951.38	570,976.22
(b) Sale of Services		58,539.52	67,823.96
(c) Gross (a + b)		691,490.90	638,800.18
(d) Excise Duty		1,958.54	5,214.17
(e) Net Turnover (c-d)		689,532.36	633,586.01
(ii) Other Operating Revenues	23	19,730.87	18,199.87
TOTAL [i(e) + ii]		709,263.23	651,785.88
II. OTHER INCOME	24	50,673.70	43,727.77
III. TOTAL REVENUE (I + II)		759,936.93	695,513.65
IV. EXPENSES			
(a) Cost of Material Consumed		342,726.93	323,912.19
(b) Cost of Stores & Spares Consumed		4,060.17	3,111.54
(c) Purchases of Stock in Trade		43,952.00	44,402.81
(d) Changes in Inventories of Finished Goods, WIP & Scrap	25	2,735.67	7,391.43
(e) Employee Benefits Expense	26	128,100.46	104,611.61
(f) Finance Costs	27	268.19	404.99
(g) Depreciation and Amortization Expense	10 & 11	16,615.01	14,987.45
(h) Other Expenses	28	70,225.51	76,165.08
TOTAL EXPENSES (a to h)		608,683.94	574,987.10
V. Profit before exceptional & extraordinary items & tax (III-IV)		151,252.99	120,526.55
VI. Exceptional Items	31	-	-
VII. Profit before extraordinary items and tax (V+VI)		151,252.99	120,526.55
VIII. Extraordinary items		-	-
IX. Profit for the year (VII-VIII)		151,252.99	120,526.55
X. Prior Period Items (Net)	29	73.57	64.79
XI. Profit for the year before tax (IX+X)		151,326.56	120,591.34
XII. Tax Expense			
- Current Year		38,170.87	30,172.12
- Earlier Years		(2,857.43)	(1,993.90)
- Deferred Taxes		(3,691.64)	(2,753.99)
Total Provision for Taxation		31,621.80	25,424.23
XIII. Profit for the year before Minority Interest (XI - XII)		119,704.76	95,167.11
XIV. Minority Interest		(15.80)	35.78
XV. Profit for the year after Minority Interest (XIII - XIV)		119,720.56	95,131.33
XVI. Earnings per equity share :	30		
(1) Basic [in Rupees]		149.65	118.91
(2) Diluted [in Rupees]		149.65	118.91

Accounting Policies & Note No. 1 to 31 form part of Financial Statements.

As per our report of even date attached

For **Badari, Madhusudhan & Srinivasan**
 Chartered Accountants
 Firm Regn. No. 005389S

S K Sharma
 Chairman & Managing Director

P R Acharya
 Director (Finance)

N Srinivasan
 Partner
 Membership No. 027887

S Sreenivas
 Company Secretary

Bengaluru
 29 May 2015

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 1

SHARE CAPITAL

Authorised Capital

100,000,000 (100,000,000) Equity Shares of ₹ 10 each	10,000.00	10,000.00
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Issued, Subscribed & Fully Paid - up Capital

80,000,000 (80,000,000) Equity Shares of ₹ 10 each	8,000.00	8,000.00
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i. Reconciliation of No. of Shares

Particulars	2014 - 15		2013 - 14	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Add : Shares issued during the year	-	-	-	-
Less : Shares Bought Back, etc during the year	-	-	-	-
Shares outstanding at the end of the reporting period	8,00,00,000	8,000.00	8,00,00,000	8,000.00

ii. Details of shareholders holding more than 5% of paid up share capital as on 31 March 2015 is given below :

Name of Shareholder	2014 - 15		2013 - 14	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Government of India	6,00,15,859	75.02%	6,00,15,859	75.02%
Life Insurance Corporation of India	4,476,641	5.60%	47,58,331	5.95%

iii. Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. **NIL** **NIL**

iv. The aggregate value of calls unpaid (including Director and Officers of Company). **NIL** **NIL**

v. The Company has only one class of shares viz., Equity Shares.

vi. 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.

vii. Each Share Holder has a right to receive the dividend declared by the Company.

viii. 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.

Consolidated Notes to Accounts

	As at 31 March 2015	As at 31 March 2014
(₹ in Lakhs)		
NOTE - 2		
RESERVES & SURPLUS		
CAPITAL RESERVE		
a) Land valuation Reserve	200.64	200.64
b) Capital Profit :		
At the beginning of the year	4,667.95	4,217.84
Add : Transfer from Profit for the period	-	450.11
	4,667.95	4,667.95
c) Capital Reserve on Consolidation of Subsidiary	206.82	206.82
d) On acquisition of Machilipatnam Unit	0.85	0.85
e) General Investment Subsidy for Kotdwara Unit	50.00	50.00
	5,126.26	5,126.26
GENERAL RESERVE		
At the beginning of the year	394,342.97	354,179.95
Add : Transfer from Surplus for the period	40,305.50	40,163.02
	434,648.47	394,342.97
SURPLUS		
At the beginning of the year	314,556.56	281,890.43
Add : Profit for the period	119,720.56	95,131.33
Less : Depreciation adjustments (BELOP)	3.40	-
Amount available for appropriation	434,273.72	377,021.76
Less : Appropriation		
Dividend on Equity Shares		
- Interim Dividend [₹ 6 per share (₹ 6 per share)]	4,800.00	4,800.00
- Proposed Final Dividend [₹ 23.20 per share (₹ 17.30 per share)]	18,560.00	13,840.00
Dividend Tax	4,804.40	3,212.07
Corporate Social Responsibility	1,894.97	-
Transfer to General Reserve	40,305.50	40,163.02
Transfer to Capital Reserve	-	450.11
Surplus carried forward	363,908.85	314,556.56
	803,683.58	714,025.79
NOTE - 2A		
MINORITY INTEREST		
At the beginning of the year	376.72	341.27
Add : Additions during the year	249.60	-
Add : Transfer from Statement of Profit & Loss	(15.80)	35.78
Less : Consolidation Adjustments	0.01	0.33
	610.53	376.72
	610.53	376.72
NOTE - 3		
GOVERNMENT GRANTS		
Grant from Government for Research and Other purposes		
At the beginning of the year	22,058.27	15,967.88
Add : Additions during the year	1,008.25	8,827.57
Less : Transfer to Statement of Profit & Loss	2,978.90	2,737.18
	20,087.62	22,058.27
	20,087.62	22,058.27

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 4

LONG TERM BORROWINGS

Secured

Long Term Maturity of Finance Lease Obligations

Liability on Leased Assets (Vehicles & Computers)	34.58	27.04
Others	-	-
	34.58	27.04

i. Total outstanding liability on Leased Assets	54.34	44.46
Less : Amount expected to be paid within next twelve months (Refer Note 8)	19.76	17.42
	34.58	27.04

ii. The above liability is secured by vehicles taken on lease
(Refer Note 10)

iii. The terms of repayment of Finance Lease varies from 36 to 48 months.

iv. As per the provisions of Accounting Standard 19, the following information is disclosed in respect of above Finance Lease :

a) The net carrying amount (WDV) at the Balance Sheet date	54.34	45.50
b) Total minimum lease payments as at the reporting period date	66.04	54.08
c) The present value of minimum lease payments as at the reporting period date	54.34	44.46
d) The minimum lease amount payable with present value for each of the following periods is given below :		

Particulars	2014 - 15		2013 - 14	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
a) not later than one year	26.26	19.76	22.88	17.42
b) later than one year & not later than five years	39.78	34.58	31.20	27.04
c) later than five years	-	-	-	-
TOTAL	66.04	54.34	54.08	44.46

NOTE - 5

OTHER LONG TERM LIABILITIES

Trade Payables	1.87	611.22
Security Deposits	105.70	63.61
Payables other than Trade Payables	2.40	83.55
	109.97	758.38

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 6

LONG TERM PROVISIONS

Employee Benefits

Long-term Compensated Absences	21,385.57	16,818.47
BEL Retired Employees Contributory Health Scheme (BERECHS)	22,029.38	18,865.03
	43,414.95	35,683.50

i. Long Term Compensated Absence Scheme :

Total liability in respect of Long Term Compensated Absences	24,208.79	19,590.09
Less : Amount expected to be paid within next twelve months (Refer Note 9)	2,823.22	2,771.62
	21,385.57	16,818.47

ii. The amount of Liability on long term compensated absences has been bifurcated between current and non current based on the report of Actuary.

iii. As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of Long Term Compensated Absences :

Particulars	2014 - 15	2013 - 14
a) Expenses Recognised in the Statement of Profit & Loss :	7,838.57	2,430.99
b) Principal Assumptions :		
Discounting Rate	7.75% / 7.90% / 7.99%	9.20% / 9.33%
Rate of increase in compensation level	5.00% / 7.50% / 10.50%	5.00% / 7.50% / 10.50%
c) Amounts to be recognised in Balance Sheet :		
Liability recognised in Balance Sheet [as per Actuarial Valuation]	24,208.79	19,590.09

iv. **BEL Retired Employees' Contributory Health Scheme (BERECHS)**

a) Total liability in respect of BERECHS	23,817.02	20,785.53
Less : Expected to be payable within next twelve months (Refer Note 9)	1,787.64	1,920.50
	22,029.38	18,865.03

b) The liability in respect of BERECHS has been bifurcated between current and non current based on the report of Actuary.

v. As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of BERECHS :

Particulars	2014 - 15	2013 - 14
a. Change in Benefit Obligations :		
Present Value of Obligation (PVO) as at the beginning of the year	20,785.53	19,149.62
Current Service Cost	1,087.07	1,001.51
Interest Cost	1,835.03	1,470.50
Actuarial (Gain) / Loss	1,788.48	1,154.63
Benefits paid	(1,679.09)	(1,990.73)
Present Value of Obligation as at the end of the period	23,817.02	20,785.53

Consolidated Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
b. Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Contributions	1,679.09	1,990.73
Benefits paid	(1,679.09)	(1,990.73)
Actuarial Gain / (Loss)	-	-
Fair value of Plan Assets at the end of the period	-	-
c. Expenses Recognised in the Statement of Profit & Loss :		
Opening Net Liability	-	-
Current Service cost	1,087.07	1,001.51
Interest on Defined benefit obligation	1,835.03	1,470.50
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognised in the period	1,788.48	1,154.63
d. Expenses Recognised in the Statement of Profit & Loss (Expenses : ₹ 1,679.09, Provisions : ₹ 3,031.49)	4,710.58	3,626.64
e. Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Rate of increase in compensation level	7.50%	7.50%
Health care costs escalation rate	3.90%	3.25%
Attrition Rate	1.00%	1.00%
f. Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	23,817.02	20,785.53
Fair Value of Plan Assets at the end of the period	-	-
Funded Status	(23,817.02)	(20,785.53)
Unrecognised Actuarial (Gains) / Losses	-	-
Liability recognised in Balance Sheet (as per Actuarial Valuation)	23,817.02	20,785.53
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	401.64	302.85
Effect on defined benefit obligation	2,917.96	2,160.42
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	(331.87)	(256.37)
Effect on defined benefit obligation	(2,411.07)	(1,828.85)

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 7

TRADE PAYABLES

- Dues to Micro & Small Enterprises	415.05	177.50
- Others	118,018.09	123,220.62
	118,433.14	123,398.12

- 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 2015 is furnished below :

Particulars	2014 - 15	2013 - 14
a. The principal and the interest due thereon remaining unpaid as at 31 March :		
Principal Amount	415.05	177.50
Interest	6.18	2.52
b. The interest paid by the Company along with the amount of the payment made beyond the appointed day during the year ending 31 March :		
Principal Amount	293.49	229.24
Interest	0.80	0.12
c. 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	1.61	1.04
d. Interest accrued and remaining unpaid at the end of the year ending 31 March	10.12	5.81
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	5.11	2.70

- ii. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Company.

NOTE - 8

OTHER CURRENT LIABILITIES

Current maturities of Finance Lease Obligations		
(Liability on Leased Assets - Vehicles & Computers) #	19.76	17.42
Management Contribution to Superannuation Scheme	-	1,140.61
Unpaid Dividend Account *	19.51	20.16
Unpaid Matured Deposits (including interest thereon) *	38.87	38.87
Interest accrued and due on Trade Payables -MSMED (Refer Note 7)	10.12	5.81

Other Liabilities

Security Deposits	2,010.74	1,914.77
Outstanding Expenses	20,122.36	18,248.53
Advances/Progress Payment received from Customers	496,428.03	525,556.34
Statutory Liabilities	16,252.84	16,676.65
Others	5,659.40	4,803.67
	540,561.63	568,422.83

Refer Note No. 4.

* Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date.

NIL

NIL

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
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NOTE - 9

SHORT TERM PROVISIONS

Taxation [Net of Advance Tax ₹ 93,046.91 (₹ 92,091.55)] (Refer Note 16)	-	-
Proposed Final Dividend	18,560.00	13,840.00
Dividend Tax	3,844.68	2,396.31

Employee Benefits

Gratuity	498.50	11.44
Long-Term compensated absences	2,823.22	2,771.62
BERECHS	1,787.64	1,920.50
Management Contribution to Superannuation (Pension) Scheme	3,228.00	-
Provision for Pay Revision & Incentive	417.28	283.77
	8,754.64	4,987.33
Provision for Performance Warranty	3,992.03	3,595.90
	35,151.35	24,819.54

- i. Provision for warranty is made towards meeting the expenditure on account of performance guarantee and warranties in accordance with accounting policy No.13. The details of the same are given below :

Particulars	2014 - 15	2013 - 14
Opening Balance (a)	3,595.90	2,799.78
Additional Provisions made during the year (b)	997.12	1,098.58
Amounts used during the year (c) *	59.55	0.05
Unused Amounts reversed during the year (d)	541.44	302.41
Closing Balance (e) = (a+b-c-d)	3,992.03	3,595.90

* a) Represents amount debited to opening provision.

b) An amount of ₹ 5,102.25 (₹ 4,304.83) has been debited to Natural Code Heads.

- ii. The Parent Company (BEL) has separate Trusts for Provident Fund. During the year the Parent Company (BEL) has recognised an amount of ₹ 7,108.13 (₹ 6,743.35) towards contribution to Employees Provident Fund and Pension Schemes in the Statement of Profit and Loss. The guidance on implementing AS 15 (Revised) issued by the Institute of Chartered Accountants of India states that provident funds setup by employers that guarantee a specified rate of return and which require interest shortfalls to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15(R) and actuarially valued.

Pursuant to the Guidance Note, the Parent Company (BEL) has determined on the basis of actuarial valuation carried out as at 31 March 2015, that there is no liability towards the interest shortfall on valuation date under para 55 and 59 of AS 15 (R) (having regard to terms of plan that there is no compulsion on the part of the Trust to distribute any part of the surplus, if any, by way of additional interest on PF balances).

Consolidated Notes to Accounts

The following table summarises the disclosure report provided by the Actuary :

EMPLOYEES PROVIDENT FUND

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
i) Change in Benefit Obligations :		
Present Value of Obligation as at the beginning of the year	138,914.93	124,231.05
Current Service Cost	28,586.38	25,545.21
Interest Cost	11,900.98	8,403.22
Past Service Cost	-	-
Actuarial (Gain) / Loss	(7,104.31)	21,710.60
Benefits paid	(12,830.85)	(40,975.15)
Present Value of Obligation transferred	(3,141.10)	-
Present Value of Obligation as at the end of the period	156,326.03	138,914.93
ii) Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	142,453.35	149,557.49
Expected return on Plan Assets	13,153.79	12,673.82
Contributions	20,563.41	22,011.95
Benefits paid	(12,830.85)	(40,975.15)
Actuarial Gain / (Loss) on Plan Assets	171.39	(814.76)
Fair Value of Plan Assets transferred	(3,285.12)	-
Fair value of Plan Assets at the end of the period	160,225.97	142,453.35
iii) Expenses Recognised in the Statement of Profit & Loss :		
Opening Net Liability	-	-
Current Service cost	28,586.38	25,545.21
Interest Cost	11,900.98	8,403.22
Expected return on Plan Assets	(13,153.79)	(12,673.82)
Net Actuarial (Gain) / Loss recognised in the period	(7,275.70)	22,525.36
Past Service Cost	-	-
Expenses Recognised in the Statement of Profit & Loss	20,057.87	43,799.97
iv) Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	156,326.03	138,914.93
Fair Value of Plan Assets at the end of the period	160,225.97	142,453.35
Difference	(3,899.94)	(3,538.42)
Unrecognised Actuarial (Gains) / Losses	-	-
Liability recognised in Balance Sheet	-	-
v) Amount for the Current Period :		
Present Value of Obligation	156,326.03	138,914.93
Plan Assets	160,225.97	142,453.35
Surplus / (Deficit)	3,899.94	3,538.42
Experience Adjustments on Plan liabilities - (Loss)/ Gain	7,112.10	(21,714.92)
Experience Adjustments on Plan Assets - (Loss)/ Gain	171.39	(814.76)

Consolidated Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
vi) Category of Assets as at 31 March 2015 :		
Government of India Securities	21.35%	25.67%
State Government Securities	22.19%	17.20%
High Quality Corporate Bonds	48.90%	53.33%
Special Deposit Scheme	7.56%	3.80%
Total	100.00%	100.00%
vii) Principal Assumptions :		
Discounting Rate	7.75%	9.20%
Salary escalation rate	7.50%	7.50%
Expected rate of Return on Plan Assets	9.20%	9.18%

iii. The Subsidiary (BEL Optronics Devices Ltd) and JVC (GE BE Pvt Ltd) are funding the Provident Fund contributions with the Government Provident Funds. BEL-THALES Systems Limited employees are on deputation from BEL and are covered under Parent's Scheme.

iv. Gratuity Scheme :

As per the provisions of Accounting Standard 15 (R), the following information is disclosed in respect of Gratuity :

Particulars	2014 - 15	2013 - 14
i) Change in Benefit Obligations :		
Present Value of Obligation as at the beginning of the year	34,309.42	38,240.46
Current Service Cost	637.48	652.37
Interest Cost	2,958.23	2,893.65
Past Service Cost	-	-
Actuarial (gain) / loss	4,057.96	(2,416.73)
Benefits paid	(4,329.04)	(5,060.33)
Present Value of Obligation as at the end of the period	37,634.05	34,309.42
ii) Change in Fair Value of Plan Assets :		
Fair value of Plan Assets at the beginning of the year	36,811.85	36,016.02
Expected return on Plan Assets	3,110.27	3,331.87
Contributions	13.00	2,231.20
Benefits paid	(4,329.04)	(5,060.33)
Actuarial gain / (loss) on Plan Assets	29.47	293.09
Fair value of Plan Assets at the end of the period	35,635.55	36,811.85
Excess of Obligation over Plan Assets	1,998.50	(2,502.43)

Consolidated Notes to Accounts

(₹ in Lakhs)

Particulars	2014 - 15	2013 - 14
iii) Expenses Recognised in the Statement of Profit & Loss :		
Opening Net Liability	-	-
Current Service cost	637.48	652.37
Interest Cost	2,958.23	2,893.65
Expected return on Plan Assets	(3,110.27)	(3,331.87)
Net Actuarial (gain) / loss recognised in the period	4,028.49	(2,709.82)
Past Service Cost	-	-
Negative Opening Liability not recognised during the year	(2,513.88)	-
Expenses Recognised in the Statement of Profit & Loss	2,000.05	18.20
Actual Return on Plan Assets	7.50% / 7.99% / 8.86%	7.50% / 8.70% / 8.98%
iv) Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	37,634.05	34,309.42
Fair Value of Plan Assets at the end of the period	35,635.55	36,811.85
Funded Status	(1,998.50)	2,502.43
Unrecognised Actuarial (gains) / losses	-	-
Liability recognised in Balance Sheet [after considering payment of ₹ 1,500.00 (₹ NIL) to the Trust during the year]	498.50	11.44
v) Category of Assets as at 31 March 2015 :		
State Govt. Securities	8.08%	10.47%
Govt. of India Securities	2.32%	2.35%
High Quality Corporate Bonds	8.18%	10.42%
Investment with Insurer	81.42% / 100.00%	76.76% / 100.00%
Principal Assumptions :		
Discounting Rate	7.75% / 7.90% / 7.99%	9.20% / 9.33%
Salary escalation rate	5.00% / 7.50% / 10.50%	5.00% / 7.50% / 10.50%
Expected rate of Return on Plan Assets	7.50% / 7.99% / 8.86%	7.50% / 8.70% / 8.98%

v. For BERECHS & Long Term Compensated Absences, Refer Note 6 for disclosure details.

Consolidated Notes to Accounts

NOTE - 10

FIXED ASSETS - TANGIBLE

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost as at 01.04.2014	Additions / Adjustments during the year	Deductions / Adjustments during the year	Total cost as at 31.03.2015	Accumulated Depreciation / Amortisation as at 01.04.2014	Depreciation / Amortisation for the year	Deductions / Adjustments during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Free Hold Land *	2,394.96	15.31	-	2,410.27	-	-	-	-	2,410.27	2,394.96
Lease Hold Land	729.70	-	-	729.70	119.05	11.34	-	130.39	599.31	610.64
Roads and Culverts	706.57	72.81	-	779.38	485.71	20.35	-	506.06	273.32	220.86
Buildings ++ @	28,800.58	4,697.60	46.28	33,451.90	11,154.93	985.12	46.28	12,093.77	21,358.13	17,645.65
Installations ++	7,567.69	186.07	5.29	7,748.47	5,433.44	385.29	5.29	5,813.44	1,935.03	2,134.25
Plant and Machinery ++	88,914.49	18,972.04	678.34	107,208.19	68,267.26	5,980.29	619.53	73,628.02	33,580.17	20,647.24
Electronic Equipment ++	52,861.97	6,742.75	128.16	59,476.56	42,026.67	3,800.92	128.16	45,699.43	13,777.13	10,835.55
Electronic Equipment - Under Lease	-	-	-	-	-	-	-	-	-	-
Equipment for R & D Lab	29,523.46	2,926.38	325.86	32,123.98	20,820.21	3,205.62	325.86	23,699.97	8,424.01	8,703.25
Vehcles	918.12	97.56	22.15	993.53	817.52	56.92	22.15	852.29	141.24	100.60
Vehcles - Under Lease	85.89	39.52	26.26	99.15	40.39	24.70	20.28	44.81	54.34	45.50
Office Equipment ++	12,528.41	1,054.11	409.13	13,173.39	9,883.49	951.67	408.03	10,427.13	2,746.26	2,648.05
Furniture, Fixtures and other Equipment ++	8,118.80	703.70	28.30	8,794.20	4,748.54	620.31	28.30	5,340.55	3,453.65	3,370.28
Assets acquired for Sponsored Research **	1,406.49	14.23	-	1,420.72	1,339.48	16.34	-	1,355.82	64.90	67.01
Total ***	234,557.13	35,522.08	1,669.77	268,409.44	165,136.69	16,058.87	1,603.88	179,591.68	88,817.76	69,423.84
Previous Year ***	216,551.04	24,451.47	6,445.38	234,557.13	156,654.60	14,914.50	6,435.81	165,133.29	69,423.84	59,896.44

Freehold Land of Parent Company (BEL) consists of 1,038.63 acres (1,038.83 acres) and Leasehold Land of Parent Company (BEL) consists of 301.33 acres (301.33 acres).

* Land includes 8.42 acres (6.21 acres) leased to commercial/religious organisations and in their possession.

** Assets are the property of the Government of India.

++ Additions during the year includes ₹ 1,265.74 (₹ 770.55) in respect of the assets of Central Research Laboratories of BEL.

@ Additions during the year includes ₹ 1,198.99 (₹ Nil) in respect of D&E Buildings.

*** Gross Block and Accumulated Depreciation include ₹ 6,313.48 (₹ 4,728.08) pertaining to assets not in active use, disposal of which is pending.

Assets acquired fully out of non-government grants have been valued at nominal value of ₹ 1 (Rupee One only). Where such Assets have been partially funded, they have been valued after adjusting the proportionate grant amount.

Consolidated Notes to Accounts

FIXED ASSETS - TANGIBLE

The managements have estimated the useful life of the various categories of tangible assets (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of Tangible Assets is as follows :

Asset Class	Years
Buildings	20 / 40
Roads & Culverts	20 / 40
Installations	10
Plant & Machinery	5 / 6 / 7 / 10
Electronic Equipments	5 / 6 / 7
Vehicles	4 / 5
Office Equipments	7
Furniture & Fixtures	7 / 10
Equipments for R&D Labs	5

In respect of Subsidiaries and JVC, estimated useful lives as per Schedule II to the Companies Act, 2013 has been adopted except of in case of Continuous Process Plant in BELOP, where 15 years useful life has been adopted.

NOTE - 11

FIXED ASSETS - INTANGIBLE

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK (AT COST)				AMORTISATION				NET BLOCK	
	Cost as at 01.04.2014	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	Total cost as at 31.03.2015	Accumulated Amortiza- tion As at 01.04.2014	Amortization for the year	Deductions/ Adjustments during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Enterprise Resource Planning (ERP) - Software Licenses / Implementation	2,039.04	73.20	-	2,112.24	1,989.27	66.04	-	2,055.31	56.93	49.77
License Fee	-	18,916.60	-	18,916.60	-	492.32	-	492.32	18,424.28	-
Computer Operating System	-	1.89	-	1.89	-	0.16	-	0.16	1.73	-
Total	2,039.04	18,991.69	-	21,030.73	1,989.27	558.52	-	2,547.79	18,482.94	49.77
Previous Year	2,039.04	-	-	2,039.04	1,916.32	72.95	-	1,989.27	49.77	122.72

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 12		
CAPITAL WORK IN PROGRESS		
Civil Construction	4,180.45	4,226.18
Plant & Machinery	7,840.74	17,467.97
Others	1,598.34	2,296.02
	<u>13,619.53</u>	<u>23,990.17</u>
Add : Capital Items in Transit	770.43	3,272.58
	<u>14,389.96</u>	<u>27,262.75</u>
Less : Provision	368.73	368.73
	<u>14,021.23</u>	<u>26,894.02</u>

Assets acquired fully out of non-government grants have been valued at nominal value of ₹ 1 (Rupee One only). Where such Assets have been partially funded, they have been valued after adjusting the proportionate grant amount.

NOTE - 13 INTANGIBLE ASSETS UNDER DEVELOPMENT Enterprise Resource Planning (ERP) - Software Licenses / Implementation

Opening Balance	18,928.59	9,141.10
Add : Addition during the year	-	9,787.49
	<u>18,928.59</u>	<u>18,928.59</u>
Less : Amount Capitalized during the year	18,916.60	-
	<u>11.99</u>	<u>18,928.59</u>
	<u>11.99</u>	<u>18,928.59</u>

NOTE - 14 NON - CURRENT INVESTMENTS (at Cost) OTHERS, UNQUOTED a) INVESTMENT IN CO-OPERATIVE SOCIETIES

Cuffe Parade Persopolis Premises Co-operative Society, Mumbai

40 Shares (40 Shares) of ₹ 50 each fully paid

0.02

0.02

Sukh Sagar Premises Co-op.Society, Mumbai
10 Shares (10 Shares) of ₹ 50 each fully paid

Shri.Sapta Ratna Co-op.Society Ltd., Mumbai
10 Shares (10 Shares) of ₹ 50 each fully paid

0.01

0.01

Dalamal Park Co-op.Society Ltd., Mumbai
5 Shares (5 Shares) of ₹ 50 each fully paid

Chandralok Co-op Housing Society Ltd.,Pune
30 Shares (30 Shares) of ₹ 50 each fully paid

0.02

0.02

0.05

0.05

b) INVESTMENT IN GOVERNMENT SECURITIES

Mana Effluent Treatment Plant Ltd

500 Shares (NIL) of ₹ 1,000 each fully paid

5.00

-

5.05

0.05

Aggregate Value of Quoted Investments

NIL

NIL

Aggregate Value of Unquoted Investments

5.05

0.05

Aggregate Provision for diminution in value of investment

NIL

NIL

i. Investment made in Co-operative Societies are in respect of apartments owned by the company, cost of which is included under fixed assets (Refer Note 10).

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 15		
DEFERRED TAX ASSETS		
Deferred Tax Assets	40,715.39	35,544.29
Deferred Tax Liabilities	6,871.98	5,392.52
	33,843.41	30,151.77

Break up of Net Deferred Tax Assets is given below :

Particulars	2014 - 2015	2013 - 2014
Deferred Tax Asset		
Provision against Debts, Inventory, Performance Guarantee & Leave Encashment, etc.,	40,416.48	35,074.66
Technical Know-how fee	298.91	469.63
Total (A)	40,715.39	35,544.29
Deferred Tax Liability (B)		
Depreciation	6,871.98	5,392.52
Total (B)	6,871.98	5,392.52
Net Deferred Tax Assets (C)=(A)-(B)	33,843.41	30,151.77

NOTE - 16

LONG TERM LOANS & ADVANCES

Unsecured, Considered Good

Capital Advances	3,783.08	1,571.90
Security Deposits	1,853.47	1,879.37
Other Loans & Advances -		
Loans to Employees	837.88	900.23
Loans to Others	-	1.25
Advances to Employees	0.79	1.79
Advances for Purchase	249.96	1,489.43
Advances to Others	73.26	253.16
Advance payment of Income Tax	277.41	35.69
[Net of Provision for Tax - ₹ 93,046.91 (₹ 92,091.55)] - Refer Note 9		
Balances with Customs, Port Trust and Other Government Authorities	749.69	734.87
Prepaid Expenses	4.26	4.84
	7,829.80	6,872.53

Unsecured, Considered Doubtful

Capital Advances	8.02	8.02
Security Deposits	81.78	61.23
Other Loans & Advances -		
Loans to Others	132.00	132.00
Advances to Employees	0.85	0.85
Advances for Purchase	450.74	738.84
Advances to Others	1,946.85	1,671.99
Advance payment of Income Tax	0.34	0.12
Balances with Customs, Port Trust and Other Government Authorities	28.93	28.93
	2,649.51	2,641.98
Less : Provision	2,649.51	2,641.98
	7,829.80	6,872.53

i. For Related Party Disclosures refer Note 31(12).

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 17		
OTHER NON CURRENT ASSETS		
Inventories		
Raw Materials & Components	28,331.51	26,336.83
Less : Provision	22,808.84	19,391.47
	5,522.67	6,945.36
Work in Progress	175.19	241.88
Less : Provision	-	125.91
	175.19	115.97
Stores & Spares	86.19	105.90
Less : Provision	52.41	74.20
	33.78	31.70
Loose Tools	71.95	94.45
Less : Provision	58.96	44.23
	12.99	50.22
	5,744.63	7,143.25
Trade Receivables		
Unsecured, Considered Doubtful		
Trade Receivables	103,250.49	86,746.35
Less : Provision	103,250.49	86,746.35
	-	-
	-	-
Others		
Unsecured, Considered Good		
Claims Receivables - Purchases	-	-
Others	3,180.44	2,229.86
	3,180.44	2,229.86
Unsecured, Considered Doubtful		
Receivables - Other than Trade Receivables	16.53	96.84
Claims Receivables - Purchases	661.26	516.42
Others	138.47	106.44
	816.26	719.70
Less : Provision	781.86	719.70
	34.40	-
	3,214.84	2,229.86
	8,959.47	9,373.11

- Valuation of Inventories has been made as per Company's Accounting Policy. (Refer Accounting Policy 10).
- In respect of Trade Receivables, necessary provisions have been made towards Doubtful Debts on the basis of Prudence and in line with Accounting Policy 11.

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 18		
INVENTORIES		
Raw Materials & Components	170,963.73	166,002.51
Add : Raw Materials & Components in Transit	15,157.36	14,346.17
Less : Provisions	212.19	379.74
	185,908.90	179,968.94
Work in Progress	126,774.74	130,569.24
Finished Goods	9,407.38	10,279.85
Add : Finished Goods in Transit	7,565.13	5,721.22
Less : Provisions	-	8.95
	16,972.51	15,992.12
Stock in Trade	6,576.41	3,628.01
Add : Stock in Trade in Transit	2,886.21	1,173.13
Less : Provisions	161.73	89.10
	9,300.89	4,712.04
Stores & Spares	1,956.22	1,600.44
Add : Stores & Spares in Transit	368.92	121.34
Less : Provisions	-	0.77
	2,325.14	1,721.01
Loose Tools	831.75	668.79
Add : Loose Tools in Transit	3.38	199.71
	835.13	868.50
Disposable Scrap	307.88	150.06
	342,425.19	333,981.91
Less : Unrealised Profit on Unsold Inventory	3.75	8.09
	342,421.44	333,973.82

i) Raw Materials and Components include ₹ 5,334.61 (₹ 4,176.12) being materials with sub-contractors, out of which ₹ 56.55 (₹ 50.47) of materials is subject to confirmation and reconciliation. Against ₹ 56.55 (₹ 50.47), an amount of ₹ 49.46 (₹ 35.58) has been provided for. The impact, if any, on consequent adjustment for the balance amount is considered not material.

ii) Valuation of Inventories has been made as per Company's Accounting Policy. (Refer Accounting Policy 10).

iii) a. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO₂EQ Carbon Credit for the 2.5 MW BEL Grid Connected Wind Power Project at 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 ₹ 1.90 (₹ 1.90). 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 :

(i) Depreciation	14.29	292.51
(ii) Operation Cost of Emission Reduction Equipments	81.14	79.53
Total	95.43	372.04

NOTE - 19

TRADE RECEIVABLES

Secured, Considered Good

Not Exceeding Six Months	28.00	33.00
Exceeding Six Months	19.75	7.00
	47.75	40.00

Unsecured, Considered Good

Not Exceeding Six Months	150,135.95	234,651.18
Exceeding Six Months	230,348.19	180,872.59
	380,484.14	415,523.77

Unsecured, Considered Doubtful

Less than Six Months	-	-
Over Six Months	-	24.06
	-	24.06
Less : Provision for Doubtful Dues	-	-
	380,531.89	415,587.83

Consolidated Notes to Accounts

(₹ in Lakhs)

	As at 31 March 2015	As at 31 March 2014
NOTE - 20		
CASH & BANK BALANCES		
CASH & CASH EQUIVALENTS		
Balance with Banks	56,415.33	41,969.88
Cash on hand	18.34	18.63
Term Deposits (incl. accrued interest)	160,679.39	136,568.48
	217,113.06	178,556.99
OTHER BANK BALANCES		
Term Deposits (incl. accrued interest)		
- Deposits with more than twelve months maturity	49.91	51.05
- Deposits - Others	386,609.24	281,808.98
Margin Money held with Bank	0.77	16.00
Unpaid Dividend	19.51	20.16
	386,679.43	281,896.19
	603,792.49	460,453.18

Cash and cash equivalents includes Term Deposits with original maturity period upto three months. Term Deposits with original maturity period beyond three months have been included in Other Bank balances.

NOTE - 21 **SHORT TERM LOANS & ADVANCES**

Unsecured, Considered Good

Inter Corporate Deposits	28.08	9,776.00
Security Deposits	769.75	763.18
Loans to Employees	179.40	207.24
Loans to Others	1.25	1.25
Advances to Employees	569.13	480.67
Advances for Purchase	54,912.39	95,347.20
Advance to Others	4,301.33	5,863.31
Balances with Customs, Port Trust and Other Government Authorities	5,797.66	5,024.82
Prepaid Expenses	1,849.84	1,495.94
	68,408.83	118,959.61
Unsecured, Considered doubtful		
Advances for Purchase	28.60	19.59
Less : Provision	28.60	-
	-	19.59
	68,408.83	118,979.20

For Related Party Disclosures refer Note 31(12).

NOTE - 22 **OTHER CURRENT ASSETS**

Receivables other than Trade Receivables	159.40	383.50
Claims Receivables - Purchases	3,910.88	2,490.46
Others	1,363.76	4,008.64
	5,434.04	6,882.60

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 23		
OTHER OPERATING REVENUES		
Sale of Scrap	940.14	813.35
Export Benefits	166.20	202.34
Transport Receipts	350.09	379.51
Rent Receipts	585.46	537.15
Canteen Receipts	720.69	657.83
Electricity Charges Collected	124.99	113.39
Water Charges Collected	32.69	28.82
Provisions Withdrawn		
- Doubtful Debts, LD	2,548.42	3,728.72
- Inventory	1,147.46	788.01
- Loans & Advances	97.53	223.73
- Others	713.49	347.79
Transfer from Grants	2,978.90	2,718.18
Miscellaneous	9,324.81	7,661.05
	19,730.87	18,199.87

NOTE - 24 OTHER INCOME

Interest income on Term Deposits	43,156.96	42,502.62
Interest Income from Staff/IT Refund/Others	1,710.44	160.74
Profit on Sale of Fixed Assets	124.79	600.66
Foreign Exchange Differential Gain	5,216.74	-
Miscellaneous (Net of "Nil" expenses)	464.77	463.75
	50,673.70	43,727.77

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 - 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND SCRAP [ACCRETION / (DECRETION)]

Work-in-Progress :

Closing Balance	126,949.93	130,811.12
Opening Balance	130,811.12	138,552.27
	3,861.19	7,741.15

Finished Goods :

Closing Stock	16,972.51	16,001.07
Opening Stock	16,001.07	15,640.38
	(971.44)	(360.69)

Scrap :

Closing Stock	307.88	150.06
Opening Stock	150.06	153.27
	(157.82)	3.21
	2,731.93	7,383.67
Less : Unrealised Profit on Stock	(3.74)	(7.76)
	2,735.67	7,391.43

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 26		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus/Ex-gratia	98,062.99	83,937.53
Gratuity	2,000.05	18.20
Contribution to Provident and Pension Funds	7,162.12	6,777.37
Management Contribution to Superannuation (Pension) Scheme *	5,721.42	2,459.70
Less : Excess provision of earlier years reversed during the year	-	1,651.73
	5,721.42	807.97
Provision for BEL Retired Employees Contributory Health Scheme	3,031.49	1,635.91
Welfare Expenses [including Salaries ₹ 1,119.75 (₹ 975.00) PF Contribution ₹ 77.88 (₹ 81.20)]	12,122.39	11,434.63
	128,100.46	104,611.61

* Includes provision towards Parent Company Non Executives Pension Scheme.

NOTE - 27

FINANCE COSTS

Interest Expenses

Interest on Lease Finance	7.54	6.32
Interest on Dues to Micro & Small Enterprises	5.11	2.70
Interest on Income Tax	111.76	190.85
Other Interest Expenses	21.94	144.09
	146.35	343.96
Other borrowing costs		
Loan Processing Charges	121.84	61.03
	268.19	404.99

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 28		
OTHER EXPENSES		
Power and Fuel	4,149.28	3,861.64
Water charges	311.39	340.45
Royalty & Technical Assistance	2,456.46	3,225.95
Rent	2,523.93	2,353.73
Rates & Taxes	671.02	369.36
Insurance	780.03	755.81
Auditors Remuneration		
Audit Fees	16.53	15.75
Cost Audit Fees	3.00	5.00
Tax Audit Fees	2.45	2.53
Fees for Company Law Matters	0.31	0.93
Other Services (Certification Fees)	2.84	3.26
Reimbursement of Expenses	5.64	5.09
	30.77	32.56
Repairs & Maintenance :		
Buildings	2,461.64	1,585.94
Plant & Machinery	1,497.07	1,643.08
Others	8,052.61	7,566.22
	12,011.32	10,795.24
Bank Charges	476.30	275.74
Printing and Stationery	424.60	434.49
Advertisement & Publicity	1,161.38	482.01
Travelling Expenses	7,382.11	6,922.64
Hiring Charges for Van & Taxis	1,051.58	899.57
Excise Duty - Others	381.61	5.34
Packing & Forwarding	1,039.88	1,692.19
Bad Debts & Advances written off	269.33	1,246.92
Less : Charged to Provisions	267.51	1,048.94
	1.82	197.98
Provision for Obsolete/Redundant Materials	4,595.11	3,503.78
Provisions for Doubtful Debts, Liquidated damages, customers' claims and disallowances	19,190.71	28,550.71
Provision for Doubtful Advances, claims	281.18	199.28
Provision for Performance Warranty	455.68	796.17
Write off of Raw Materials, Stores & Components due to obsolescence and redundancy	290.57	1,023.75
Less : Charged to Provisions	149.92	844.32
	140.65	179.43
Corporate Social Responsibility	457.06	1,055.04
Others :		
Other Misc Direct Expenditure	2,649.44	3,362.15
After Sales Service	203.17	290.34
Telephones	650.40	601.64
Expenditure on Seminars & Courses	788.07	800.82
Other Selling Expenses	86.18	47.80
Foreign Exchange Differential Loss	-	1,402.66
Miscellaneous	5,874.38	2,730.56
	10,251.64	9,235.97
	70,225.51	76,165.08

The Foreign Exchange Gain/Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/reporting date.

Consolidated Notes to Accounts

(₹ in Lakhs)

	For the year ended 31 March 2015	For the year ended 31 March 2014
NOTE - 29		
PRIOR PERIOD ITEMS		
Prior Period Income :		
Sales	-	21.24
Grant	-	19.00
Others	57.58	12.21
Total Prior Period Income (A)	57.58	52.45
Prior Period Expenditure :		
Material Consumed	(18.37)	-
Depreciation	2.38	-
Others	-	(12.34)
Total Prior Period Expenditure (B)	(15.99)	(12.34)
Total Prior Period Items Net Income / (Expenditure) [(A) - (B)]	73.57	64.79

NOTE - 30

EARNING PER SHARE

Profit for the period - Before Extraordinary items	119,720.56	95,131.33
Profit for the period - After Extraordinary items	119,720.56	95,131.33
Number of Shares used in computing earnings per Share	80,000,000	80,000,000
Earnings per Share - Basic & Diluted		
Before Extraordinary items (Amount in Rupees)	149.65	118.91
After Extraordinary items (Amount in Rupees)	149.65	118.91

NOTE - 31

GENERAL NOTES TO ACCOUNTS

1.0 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 Optronics Limited, Pune (Share Holding 92.79%) and BEL-THALES Systems Limited, Bengaluru (Share Holding 74.00%) (Incorporated on 28.08.2014), and audited financial statements of Joint Venture Company (JVC) viz., GE BE Private Limited, Bengaluru (Share Holding 26%) and BEL Multitone Private Limited, Bengaluru (Share Holding 49%) (for FY 2013-14). 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. In respect of JVCs, consolidation has been done on proportionate consolidation basis, after eliminating intra-group transactions and unrealised profit / loss. The financial statements of the subsidiaries and JVCs are drawn upto the same reporting date as that of the Parent Company.

- 1.1 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.
- 1.2 Minority 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.

Consolidated Notes to Accounts

(₹ in Lakhs)

- 2.0 Additional information disclosed in individual financial statements of the parent and subsidiaries / JVCs 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 in view of the Accounting Standards Interpretation ASI - 15 issued by the Institute of Chartered Accountants of India (ICAI).
- 3.0 The Parent Company and its groups have changed the following Accounting Policies with effect from FY 2014-15 :
- Basis of Accounting (Policy No. 1) - to take cognizance of the Companies Act, 2013.
 - Revenue Recognition (Policy No. 3) - to bring clarity on Accounting Policy relating to recognition of Service Income (only Parent Company).
 - Depreciation / Amortisation (Policy No. 5) - to take cognizance of Schedule II to the Companies Act, 2013.
- The financial impact of the change in above Accounting Policies during the Financial Year is as follows :
- NIL in respect of A & B above and reduction in expenditure by ₹ 1,213.22 in respect of C above.
- 4.0 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, none of the Units has found indications of impairment of its assets and hence no provision is considered necessary. The subsidiaries (BEL Optronics Devices Limited and BEL-THALES Systems Limited) and JVC (GE BE Pvt. 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.
- 4.1 The Accounting Policy of the parent and subsidiaries / JVCs are generally uniform except in respect of the following items :
- Intangible assets are amortised over a period of three years on straight line method except in case of Subsidiary (BEL Optronics Devices Limited), where they are amortised over a period of ten years. The Gross Value of Intangible Assets in BELOP is ₹ 18,918.49 and Depreciation charged during the year is ₹ 492.51. (Impact on Statement of Profit and Loss is ₹ 75.06 after considering amount funded by Grant).
 - Cost of inventories is generally assigned by using the weighted average cost formula, except in case of JVCs, which are following FIFO method for RMC and bought out items for resale (which are not material in nature and it is not practicable to quantify the proportion of such items in the CFS).
- 5.0
- The Parent Company has been sanctioned working capital limit of ₹ 290,000 by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes a sub limit of ₹ 20,000 of fund based limit (interchangeable with non fund based LC limits).
 - The interest rate payable on fund based limit is linked to SBI Base Rate plus 0.40%. (Interest rate payable as on 31 March 2015 is 10.40% p.a.).
 - The amount utilised is repayable on demand. Utilisation as on 31 March 2015 is NIL (NIL).
 - The above sanction limit is secured by hypothecation of Inventories and Trade Receivables.

	Particulars	2014 - 15	2013 - 14
6.0	A) Estimated amount of contracts remaining to be executed on Capital Account and not provided as on 31 March	15,627.31	14,199.28
	B) Other commitments i.e., Non-cancellable contractual commitments (i.e., cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31 March	-	-

- 7.0 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 will be made wherever considered necessary.

Consolidated Notes to Accounts

(₹ in Lakhs)

- 8.0 The following disclosure is made as per AS-7 (Accounting for Construction Contracts) in respect of accounting policy 3 (i) (c) relating to revenue recognition on contracts :

Particulars		2014 - 15	2013 - 14
A)	Contract revenue recognised during the year	-	272.83
B)	Contract revenue was recognised using the percentage of completion method. Ratio of the actual cost incurred on the contracts till date to the estimated total cost of the contracts, was used to determine the stage of completion.		
C)	Aggregate amount of cost incurred	-	43,168.26
D)	Recognised profit upto 31 March (Net of Provision for Contingency)	-	3,636.49
E)	Amount of advances received and Outstanding as at 31 March	-	-
F)	The amount of retention	-	-

9.0 Interest in Joint Venture Companies (JVCs) :

Disclosure of interest in Joint Venture, as per Accounting Standard 27, is as under :

Name of Joint Ventures		Proportionate Ownership of BEL
A)	GE BE Private Limited	26%
B)	BEL Multitone Private Limited*	49%
	Country of Incorporation	India

* BEL Multitone Private Limited has been wound up as on 31 March 2015 and report submitted to Official Liquidator.

10.0 Contingent Liabilities (including share in JVCs) :

Particulars	2014 - 15	2013 - 14
Claims not acknowledged as debts	19,137.15	19,282.75
Outstanding Letters of Credit	31,806.34	29,201.36
Others	523.35	560.65
Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	11,145.51	15,876.73
Parent Company has offered MTNL to get the Convergent Billing Project completed on BEL's risk and cost basis. Liability of the Company in this regard is not ascertainable at this stage.		

- 11.0 The Parent Company is engaged in manufacture and supply of strategic electronic products primarily to Defence Services and hence, it would not be in public interest for the Company to present segment information. For similar reasons, the Company is being granted exemption from publication in the Annual Accounts, certain disclosures (exemption is awaited in respect of Defence manufacturing companies under 129(6) of the Companies Act, 2013). The SEBI has also granted exemption, for these reasons, to the Company from publication of segment information required under Accounting Standard 17 (AS 17) in quarterly unaudited financial results. Hence, Segment information required under AS 17 is not disclosed. Such non disclosure has no financial effect.

12.0 Related Party Transactions :

- A) The related party transactions during the year with JVCs are as under :
GE BE Private Ltd. (Equity Holding 26%); and
BEL Multitone Private Ltd. (Equity Holding 49%)

Nature of the transactions with these companies (on 100%) basis are as follows :

Sl. No.	Particulars	Joint Ventures		Grand Total
		GE BE Pvt. Ltd.	BEL Multitone Pvt. Ltd.*	
1	Purchase of Goods	26.95	-	26.95
		-	-	-
2	Sale of Goods	2,759.51	-	2,759.51
		(2,143.32)	-	(2,143.32)
3	Rendering Services	-	-	-
		(0.39)	-	(0.39)
4	Rent Received	-	0.25	0.25
		-	(0.43)	(0.43)
5	Dividend Income on Investments	260.00	-	260.00
		(260.00)	-	(260.00)
6	Trade Receivables Outstanding as on 31.03.2015	348.21	-	348.21
		(480.76)	-	(480.76)
7	Investment in Equity as on 31.03.2015 *	260.00	-	260.00
		(260.00)	(31.88)	(291.88)

* BEL Multitone Private Limited has been wound up as on 31 March 2015 and report submitted to Official Liquidator. Consequently, value of Investments ₹ 31.88 has been written off. The impact on Statement of Profit and Loss is ₹ 1.98 after considering provision of ₹ 29.90 made in earlier years.

B) The key management personnel & their remuneration details are as follows :

- Shri S K Sharma, CMD from 01.01.14 & Director (Bengaluru Complex) upto 31.12.13
- Shri Anil Kumar, CMD upto 31.12.13
- Shri M L Shanmukh, Director (Human Resources)
- Shri P R Acharya, Director (Finance) from 02.09.13
- Shri P C Jain, Director (Marketing) from 01.09.13
- Shri H N Ramakrishna, Director (Marketing) upto 31.08.13
- Dr Ajit T Kalghatgi, Director (R&D)
- Shri Amol Newaskar, Director [Other Units]
- Shri M M Handa, Director (Bengaluru Complex) from 24.06.2014
- Shri Mahesh C Kapri, MD, GE BE Pvt Ltd

The total salary including perquisites drawn by the above key management personnel during the year 2014-15 are ₹ 329.44 (₹ 281.14) as detailed below :

Particulars	2014 - 15	2013 - 14
Salary & Allowances including benefits	193.43	184.55
Contribution to Provident Fund, Gratuity & Superannuation Fund, etc.	63.73	58.86
Leased Accommodation	28.73	18.38
Others	43.55	19.35

Consolidated Notes to Accounts

(₹ in Lakhs)

13.0 BEL Multitone Pvt. Ltd. (Joint Venture Company) was under liquidation consequent to Special Resolution passed by its Members on 25.11.2013 for Members' Voluntary winding up. As on 31 March 2015, all the assets of the Company have been disposed off and all dues settled. Approval for closure of winding up procedure has been accorded by its Members at General Meeting held on 31 March 2015. The liquidator has sent the report to Registrar of Companies & Official Liquidator for issuance of winding up order. Accordingly, the Financial Statements of the BEL Multitone Pvt Ltd Company has not been consolidated for FY 2014-15.

14.0 Summary of Net Assets and Share in profit or loss :

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Bharat Electronics Limited	95.89%	729,560.73	97.29%	116,463.99
Subsidiaries				
Indian				
BEL Optronic Devices Limited	3.70%	28,179.12	0.29%	351.35
BEL-THALES Systems Limited	0.00%	11.02	(0.14%)	(162.45)
Minority Interests in all subsidiaries	0.08%	610.53	0.01%	15.80
Joint Venture				
Indian				
GE BE Private Limited	0.33%	2,515.24	2.55%	3,051.87
Total	100%	760,876.64	100%	119,720.56

15.0 Previous year's figures have been regrouped/reclassified wherever necessary. Figures in brackets relate to Previous Year.

For **Badari, Madhusudhan & Srinivasan**

Chartered Accountants
Firm Regn. No. 005389S

S K Sharma

Chairman & Managing Director

P R Acharya

Director (Finance)

N Srinivasan

Partner
Membership No. 027887

S Sreenivas

Company Secretary

Bengaluru
29 May 2015

Consolidated Cash Flow Statement

	(₹ in Lakhs)	
Particulars	2014 - 15	2013 - 14
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per Statement of Profit & Loss	151,326.56	120,591.34
Adjustments for :		
Depreciation and Amortization Expense	16,617.39	14,987.45
Provision for Employee Benefits	11,498.76	(13,218.17)
Provision for Performance Guarantee	396.13	796.12
Corporate Social Responsibility	457.06	1,055.04
Interest Income	(43,156.96)	(42,502.62)
Finance Cost	268.19	404.99
Profit on Sale of Fixed Assets	(124.79)	(600.66)
Employees Stock compensation Expenses (GE BE)	(2.08)	(5.72)
Transfer from Government Grants	(2,978.90)	(2,737.18)
Operating Profit Before Working Capital Changes	134,301.36	78,770.59
Adjustments for :		
Trade Receivables & Advances	85,374.34	(59,871.03)
Inventories	(7,044.66)	(7,595.29)
Trade Payables & Advances	(34,710.54)	(56,239.82)
Cash Generated from Operations	177,920.50	(44,935.55)
Receipt of Grants	1,008.25	8,827.57
Corporate Social Responsibility (CSR) Expenditure	-	(243.12)
Direct Taxes Paid (Net)	(35,555.16)	(20,551.33)
Cash Flow Before Extraordinary Items	143,373.59	(56,902.43)
Extraordinary Items	-	-
Net Cash from/(used in) Operating Activities	143,373.59	(56,902.43)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(22,724.38)	(37,474.38)
Equity Investments	(5.00)	-
Minority Interest	249.60	-
Sale of Fixed Assets	190.68	610.23
Bank Deposits	(104,783.25)	70,297.04
Interest Received	43,156.96	42,502.62
Net Cash from/(used in) Investing Activities	(83,915.39)	75,935.51
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase/(Decrease) in Long-term Borrowings	9.88	(13.50)
Increase/(Decrease) in Short-term Borrowings	2,472.87	-
Corporate Social Responsibility (CSR) Expenditure	(1,120.01)	-
Dividends Paid (including Dividend Tax)	(21,996.68)	(20,915.42)
Increase / Decrease in Unpaid Matured Deposits	-	-
Finance Cost	(268.19)	(404.99)
Net Cash from/(used in) Financing Activities	(20,902.13)	(21,333.91)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	38,556.07	(2,300.83)
Cash and Cash Equivalents at the beginning of the Year	178,556.99	180,857.82
Cash and Cash Equivalents at the end of the Year	217,113.06	178,556.99

Consolidated Cash Flow Statement

Notes :

1. The above statement has been prepared under indirect method as per the Accounting Standard on Cash Flow Statement (AS - 3).
2. Additions to Fixed Assets are stated inclusive of movements of Capital Work-in-Progress between the beginning and end of the period and treated as Investing Activities.
3. "Cash and Cash Equivalents" consists of Cash on hand, Balances with Banks, and Deposits having a maturity period of three months or less from the date of deposit. Cash and Bank Balance shown in Note 20 is inclusive of ₹ 386,659.15 (₹ 281,860.03) being the deposits having a original maturity period of more than three months.
4. Previous year's figures have been regrouped / rearranged wherever necessary.

As per our report of even date attached.

For **Badari, Madhusudhan & Srinivasan**
Chartered Accountants
Firm Regn. No. 005389S

S K Sharma
Chairman & Managing Director

P R Acharya
Director (Finance)

N Srinivasan
Partner
Membership No. 027887

S Sreenivas
Company Secretary

Bengaluru
29 May 2015

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

(₹ in lakhs)

Sl. No.	Particulars		
1	Name of the subsidiary	BEL Optronic Devices Limited	BEL Thales Systems Ltd
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4	Share capital	1832.29	960.00
5	Reserves & surplus	3982.17	(162.45)
6	Total Assets	34064.80	809.26
7	Total Liabilities	28250.34	11.71
8	Investments	-	-
9	Turnover	10264.93	-
10	Profit before taxation	541.72	(161.76)
11	Provision for taxation	175.03	0.69
12	Profit after taxation	366.69	(162.45)
13	Proposed Dividend	-	-
14	% of shareholding	92.79	74.00

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part "B" : Associates and Joint Ventures

(₹ in lakhs)

Sl. No.	Particulars	
	Name of Joint Ventures	GE BE Pvt Ltd
1	Latest audited Balance Sheet Date	31 March 2015
2	Shares of Joint Ventures held by the company on the year end	
	No.	2,600,000
	Amount of Investment in Joint Venture	260.00
	Extend of Holding %	26
3	Description of how there is significant influence	Voting rights
4	Reason why the joint venture is not consolidated	Not applicable

Sl. No.	Particulars	
5	Networth attributable to Shareholding as per latest audited Balance Sheet	18,696.86
6	Profit / Loss for the year	
	i. Considered in Consolidation	3,055.52
	ii. Not Considered in Consolidation	-

- Names of joint ventures which are yet to commence operations - NIL
- Names of joint ventures which have been liquidated or sold during the year - NIL*

* BEL Multitone Pvt. Ltd. (Joint Venture Company) was under liquidation consequent to Special Resolution passed by its Members on 25.11.2013 for Members' Voluntary winding up. As on 31.03.2015, all the assets of the Company have been disposed off and all dues settled. Approval for closure of winding up procedure has been accorded by its Members at General Meeting held on 31.03.2015. The liquidator has sent the report to Registrar of Companies & Official Liquidator for issuance of winding up order.

For **Badari, Madhusudhan & Srinivasan**
 Chartered Accountants
 Firm Regn. No. 005389S

S K Sharma
 Chairman & Managing Director

P R Acharya
 Director (Finance)

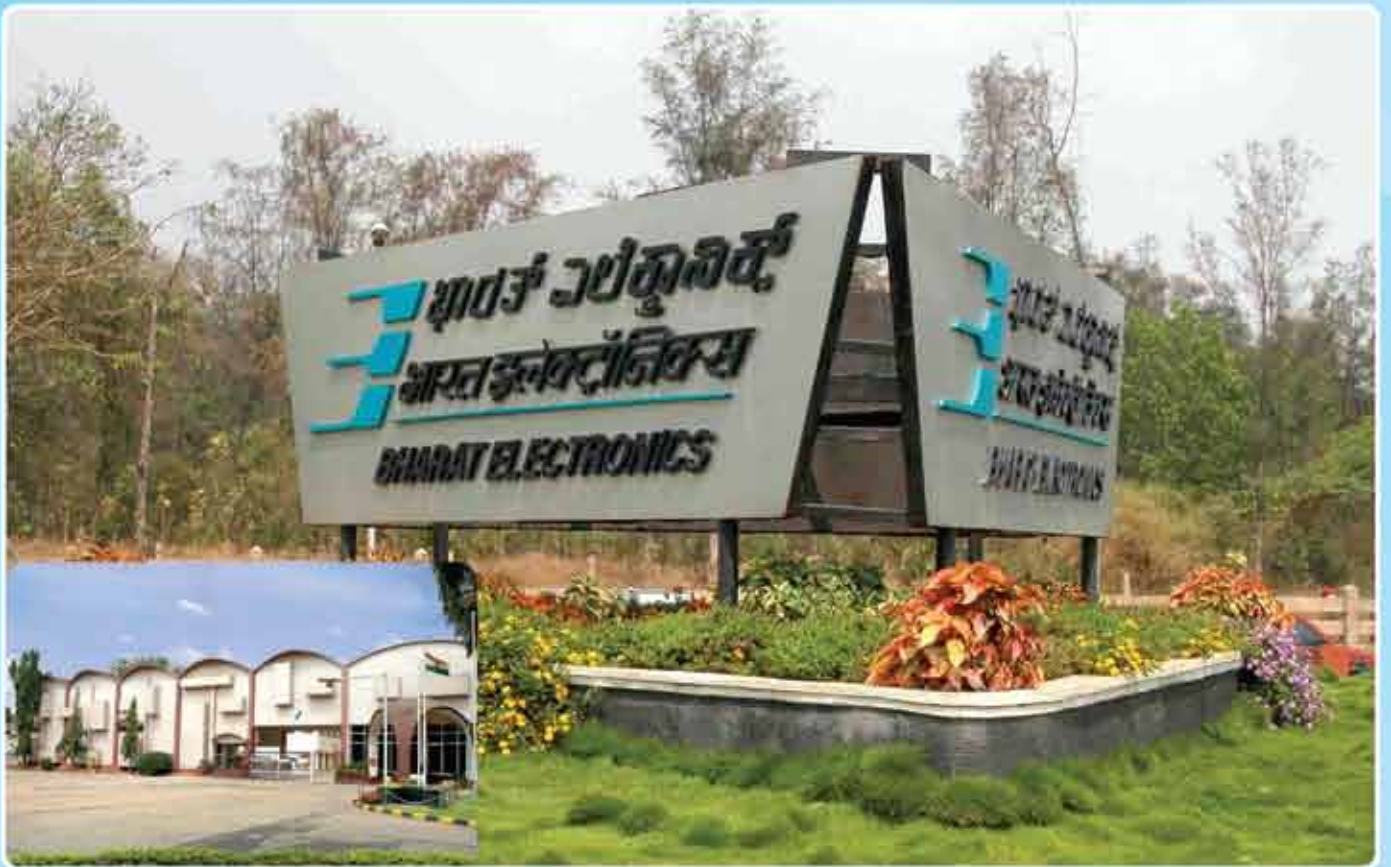
N Srinivasan
 Partner
 Membership No. 027887
 Bengaluru
 29 May 2015

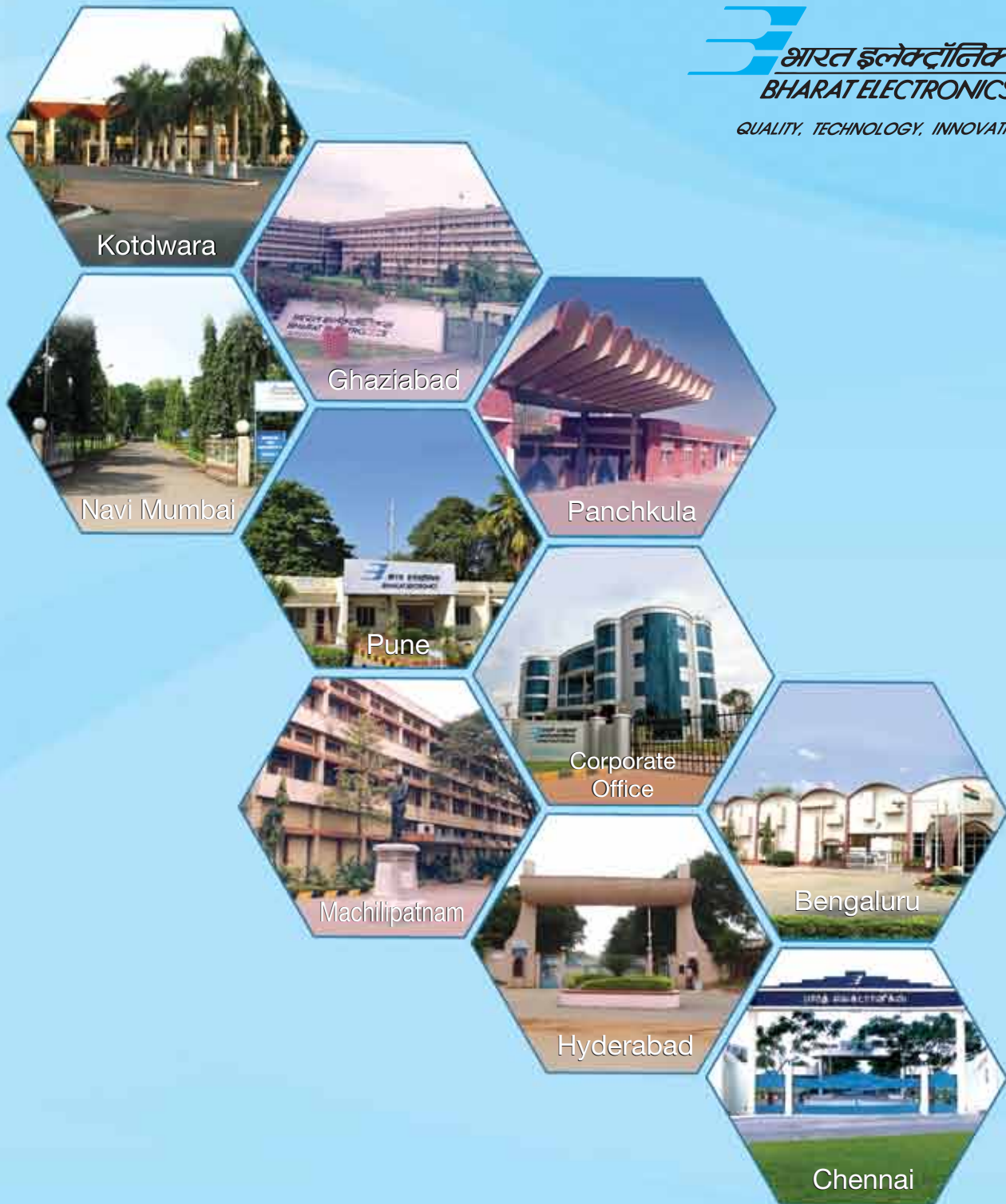
S Sreenivas
 Company Secretary

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NOTES

This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.





BHARAT ELECTRONICS LIMITED

(A Govt. of India Enterprise)
(CIN : L32309KA1954GOI000787)

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