

MISSION

To be a customer focused technology driven company in the field of Image Intensifiers and other chosen areas

BOARD OF DIRECTORS OF BEL OPTRONIC DEVICES LIMITED

1)	Shri. Sunil Kumar Sharma	Chairman	CMD, BEL
2)	Shri. M.L. Shanmukh	Director	Director (HR), BEL
3)	Dr. Ajit T.Kalghatgi	Director	Director (R & D), BEL
4)	Shri. Prabhat R. Acharya	Director	Director (Finance), BEL

PRINCIPAL EXECUTIVE

1.	Mr. S.S. Kulkarni	Chief Executive Officer
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COMPANY SECRETARY

1.	Ms. Priya Iyer	Company Secretary & CFO
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BANKERS

1.	State Bank of India
2.	AXIS Bank Ltd.

AUDITORS

M/s MSDN & Associates,
Chartered Accountants,
Pune

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Ten Year Financial Statistics

(₹ in Millions)

Particulars	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Income	533	624	451	322	610	534	702	1578	1843	1242
Profit after tax	60	82	14	(36)	23	45	82	58	50	37
Equity capital	183	183	183	183	183	183	183	183	183	183
Reserves & Surplus	46	126	142	106	129	173	255	312	362	398
Gross Block	474	485	489	493	501	503	507	529	694	1407
Working Capital	132	182	222	205	245	299	881	272	(185)	(322)
Capital Employed	342	355	357	304	325	366	942	347	37	573
Net Worth	229	310	325	289	312	356	438	495	545	581

CHAIRMAN'S LETTER

Dear Shareholders,

It is a matter of pleasure to communicate with you directly and to share with you the highlights of performance of your company during the past year and the future outlook for the Company.

SILVER JUBILEE YEAR

As you are aware, the company was incorporated on 10th September 1990 to enable the country to be self reliant in the critical area of technology for night vision devices. The year 2014-15 is the silver jubilee year for the company. I am proud to state that over the years, inspite of a few setbacks, the company has been successful in meeting the Indian Defence needs of Image Intensifier Tubes which is the main component of various types of night vision devices. I am confident that with the acquisition of the state-of-art technology and setting up of world class manufacturing facilities the company is poised for a bright future with profitable growth .

TRANSFER OF SHARES

Bharat Electronics Limited(BEL) the holding company has acquired 7.21% of the equity share holding from the Specified Undertaking of the Unit Trust of India and with effect from 30th July 2015, BELOP is an wholly owned subsidiary of BEL.

HIGHLIGHTS OF THE YEAR 2014-15

Your company achieved a turnover of ₹ 10264.93 lakhs during the year 2014-15 as against ₹17147.34 lakhs in 2013-14, an decrease of 40.14% mainly on account of lower production and shifting to in-depth manufacturing during the year.

- During 2014-15, the Profit after Tax (PAT) has decreased by 26.10%, from ₹ 496.19 lakhs in 2013-14 to ₹ 366.69 lakhs in 2014-15. The reason for lower profits is on account of lower production and sales and increase in the expenses during the year. The Networth of the Company has increased to ₹ 5814.46 lakhs as on 31.3.2015, registering an increase of 6.67%.
- **Other achievements:**

MoU Rating

Your company has been awarded "V.Good" rating for the year(2013-14) in respect of the MoU which BELOP enters with it's holding company Bharat Electronics Limited (BEL) for establishing the performance parameters and targets for each year with the approval of the Department of Public Enterprises (DPE).

Credit Rating

During the year 2014-15, ICRA has assigned the following ratings to the company for the year 2014-15

- (i) Long-term rating of [ICRA]AA (pronounced ICRA double A) to ₹ 4000 lakhs fund based bank limits.

- (ii) Short -term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 600 lakhs non-fund based bank limits.

The long term rating of [ICRA]AA is with a stable outlook. These ratings indicate the high credit quality in the long-term and short-term.

- **Products under Development**

The image acquisition and processing module for Intensified Camera Unit has been developed.

FUTURE OUTLOOK

- **Transfer of Technology:**

The in-depth manufacturing of XD-4 Performance I.I. Tubes has commenced from December 2014. The funding for acquisition of ToT from M/s Photonis, France for manufacture of XR-5 Image Intensifier Tubes in terms of the Agreement signed in May 2014, is under finalisation. It is expected that the implementation of the XR-5 project would commence in the near future.

Your company is also pursuing its plan for acquisition of ToT for manufacturing critical components of I.I. Tubes, viz., 6µm Pore Micro Channel Plates (MCPs) and Alkali Dispensers.

- **Performance in 2014-15**

Your company has an order book position of ₹ 2746 lakhs as on 30.6.2015 and is expected to achieve a sales of around ₹ 13006 lakhs for the year 2015-16.

GOVERNANCE AND SUSTAINABILITY

Your company endeavours to uphold the best practices in corporate governance. A report on compliance of the guidelines on Corporate Governance as per the guidelines issued by the Department of Public Enterprises for CPSEs forms part of the Board's Report.

ACKNOWLEDGEMENTS

I am grateful to the Board of Directors for their support and guidance. I deeply appreciate our Shareholders, particularly the Specified Undertaking of the Unit Trust of India, our customers and our business associates for their support. I also wish to express my sincere gratitude to all the officers and employees of BELOP for their dedication and commitment which is responsible for driving growth in the company.

Best Wishes,

Sincerely,

-sd-
(Sunil Kumar Sharma)
Chairman

Place :- Bangalore
Date :- 7th August 2015

BOARDS' REPORT

To the Members,

I have great pleasure in presenting to you, on behalf of the Board of Directors, the **25th Annual Report** on the business and operations of your company alongwith the Audited Accounts for the year ended 31st March 2015 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

1 Silver Jubilee Year

The company was incorporated on 10th September 1990 and the year 2014-15 is the silver jubilee year for the company. The company was set up to enable the country to be self reliant in the critical area of technology for night vision devices. I am proud to state that over the years, inspite of a few setbacks, the company has been successful in meeting the Indian Defence needs of Image Intensifier Tubes which is the main component of various types of night vision devices. The Board of Directors are confident that with the acquisition of the state-of-art technology and setting up of world class manufacturing facilities the company is poised for a bright future with profitable growth .

2 Financial Highlights

The company has achieved turnover (Gross) of ₹10,264.93 Lakhs and has made a Profit After Tax of ₹ 366.69 Lakhs during the year.

The summary of the company's financial results is given below:-

PARTICULARS	₹ in Lakhs	
	2014-2015	2013-2014
Total Income	12415.30	18430.49
Profit Before Depreciation, Finance Costs and Tax	1539.00	999.72
Finance Costs	121.75	59.14
Depreciation	875.53	189.14
Profit Before Tax	541.72	751.44
Provision for Taxation	175.03	255.25
Profit for the year	366.69	496.19

3 Dividend

The Directors could not recommend any dividend for the year 2014-15, taking into account the requirement of funds for implementation of the XR-5 project and the present shortage of working capital funds for which BELOP has resorted to borrowing from banks.

4 Order Book Position

The order status of the company as on 1.4.2015 was ₹ 4,227.63 Lakhs as compared to ₹ 14,240 Lakhs as on 1.4.2014.

5 Future Outlook

The in-depth manufacturing of XD-4 Performance I.I. Tubes has commenced from December 2014.

The funding for acquisition of ToT from M/s Photonis, France for manufacture of XR-5 Image Intensifier Tubes in terms of the Agreement signed in May 2014, is under finalisation. It is expected that the implementation of the XR-5 project would commence in the near future.

The Company is also pursuing its plan for acquisition of ToT for manufacturing critical components of I.I. Tubes, viz., 6µm Pore Micro Channel Plates (MCPs) and Alkali Dispensers.

6 Finance

During the financial year 2014-15, your company has met its fund requirements towards incremental working capital and additional investments on upgradation of infrastructure and capital equipments mainly from internal resources and the balance by borrowing working capital from its consortium bankers. Borrowing has been minimised through close monitoring of cash flows and efficient cash management.

7 Credit Rating

During the year 2014-15, ICRA has assigned the following ratings to the company for the year 2014-15

- (i) Long-term rating of [ICRA]AA (pronounced ICRA double A) to ₹4 000 lakhs fund based bank limits.
- (ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 600 lakhs non-fund based bank limits.

The long term rating of [ICRA]AA is with a stable outlook. These ratings indicate the high credit quality in the long-term and short-term. Both the ratings are valid till 6th November 2015. These ratings will help the company in obtaining the better terms for the various working capital facilities being availed from the Consortium Banks.

8 Research & Development (R&D)

The Company's D&E Department is driving and executing the developments towards products, process and upgradation of manufacturing and Test Equipment. The image acquisition and processing module for Intensified Camera has been developed.

During the year, the R&D team has also carried out the following activities in specific areas as outlined below:-

- Upgradation of Box Coater-1 for Metalisation of Cathode Substrates. The upgradation has enabled better process consistency, traceability of process data and enhancement of Specifications and life of the Capital Asset.
- Design and fabrication of Upgradation of Box Coater-2 for Metalisation of Anode Screens. The upgradation results into better process consistency, traceability of process data and enhancement of Specifications and life of the Capital Asset.
- Creation of System Requirement Study (SRS) and Interface Requirement Study (IRS) Documents for Database Software development for manufacture for XD-4 I.I. Tube.

- Upgradation of Software of Operational Life Test Equipment.
- Design and fabrication of Hardware and development of Software for upgradation of Screen Scrubber.
- Design and prototyping of Chromium Metalising facility for Anode Screens. The addition of this facility will improve Image Quality of I.I. Tube.

On account of the above R&D efforts, the company has upgraded the manufacturing infrastructure and processes enabling it to provide better product quality and increased productivity and consistency in processes.

The R & D team is planning the following activities in future:-

- Integration of in-house designed upgraded Hardware and Software for Screen Scrubbing Equipment in Phosphor Process to improve process consistency and process data traceability.
- Automation of MCP Scrubbing Process for 1 No. 18mm Processing Station. This will improve process capability, productivity, process consistency and process data traceability.

9 Implementation of ERP System

The company has implemented FACT ERP.NG an ERP software in areas like finance, purchases, stores etc. during 2014-15 for better data management and accounting.

10 Customer Satisfaction

As a part of it's customer focus initiative, a workshop on I.I. Tubes was conducted for the maintenance technicians in Indian Army to increase the awareness on handling of I.I. Tubes.

11 MoU with Government

The Directors are pleased to inform you that for the year (2013-14) the company has been awarded 'V.Good' rating in respect of the MoU which BELOP enters with it's holding company Bharat Electronics Limited (BEL). The performance parameters and targets for each year are finalised with the approval of the Department of Public Enterprises (DPE).

12 Human Resources

Your company employed 133 persons as on 31 March 2015 as against 111 persons as on 31 March 2014. Of these employees, 32 were executives and 6 were women employees. A total of 25 employees including engineers, technical Assistants and officers in other areas, were inducted during the year.

13 Industrial Relations

The revised promotion policy in respect of non-executives has been implemented during April 2015. The wage negotiation meetings are being conducted with the unions in respect of pay revision due from 1.4.2012. Industrial relations during the year were cordial except for some protests by the non-executives on the implementation of the revised promotion policy which has subsequently been resolved and revised promotion policy is now accepted by the non-executives.

14 Environment Management

As part of an Environmental Management System, your company which is certified for ISO 14001:2004, maintains clean surroundings and green environment at its premises. The company also undertakes measures for stringent pollution control, waste water treatment, zero effluent discharge, energy conservation, water conservation, systematic management and disposal of hazardous and other forms of waste.

15 Safety

The company has a structured organisation for safety of its personnel, plant and machinery. The Safety Committee reviews safety requirements and safety performance on a regular basis.

During the year the company has taken the following safety measures :-

- Installation of High voltage Mats for improved safety in electrical installations.
- Installation of new clean agent type Fire Extinguishers compatible for clean room applications
- Procurement of additional Safety Gadgets (Safety goggles, Safety masks, Ear defenders, Ear plugs etc.) to the employees working in Plant & Services area handling Caustic
- Improved the illumination in the critical processes viz. Transformer winding, transformer soldering, stack preparation etc. and in Tube Assembly Department.
- Health check up of all the employees has been carried out.

16 Quality

The company has implemented 8D method for production support during the year.

17 Vigilance

A Vigilance Officer for BELOP has been appointed from the year 2012-13 by Chief Vigilance Officer, BEL. 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 Vigilance Officer for investigation.

Performance of the Vigilance Department during the year has been satisfactory. All the executives of the company have filed their Annual Property Returns till the date mandated. 67 Nos Purchase Orders/Contracts and 10 Nos high value Orders/Contracts have been reviewed/scrutinized during the year and found to be in order. 89 Regular and 102 Surprise inspections were conducted. There is no case pending under investigation.

18 Integrity Pact

The Central Vigilance Commission has taken an initiative of introduction of the Integrity Pact for large value contracts in all Government Organisations for eradication of corruption in procurement activity. In line with the directives from the Ministry of Defence and the Central Vigilance Commission, during the year 2014-15, BELOP has entered into an Integrity Pact with all the vendors/suppliers/contractors/ service providers for all Orders/Contracts of value ₹500 lakhs and above.

19 Implementation of RTI Act(RTIA)

The company has designated certain executives as Public Information Officer, Asst. Public Information Officer and Appellate Authority as specified under the Right to Information Act, 2005. During the year 2014-15, the company received one request for information under the RTI Act, 2005 in respect of a service related matter which was attended to.

20 Directorate

Mr. Prabhat. R. Acharya was appointed as a Director, retiring by rotation at the 23rd Annual General Meeting of the company held on 27th September 2013. In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the company, Mr. Prabhat. R. Acharya retires by rotation and being eligible offers himself for re-appointment.

21 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 Key Managerial Personnel of your Company during the financial year:

Sl No.	Name of the KMP	Designation	Date of appointment	Date of cessation
1	Mr. S.S. Kulkarni	Chief Executive Officer	21.05.2014	NA
2	Ms. Priya S. Iyer	Chief Financial Officer	21.05.2014	NA

22 Directors' responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

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

23 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.

24 Events Subsequent to the Date of Financial Statements

Material changes and commitments affecting the financial position of the company which have occurred between 31st March, 2015 and 22nd July, 2015 is NIL.

25 Statutory Auditors

The Comptroller and Auditor General of India has appointed M/s MSDN & Associates, Chartered Accountants, Pune as the statutory auditors for the year 2014-15 pursuant to the provisions of Section 139(5) of the Companies Act, 2013. The internal audit of the company for the year 2014-15 was conducted by the internal audit team of BEL.

26 Auditors' Report

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

27 Composition of the Audit Committee

The members of the Audit Committee are as follows :

- | | | |
|----|-----------------------|----------|
| 1) | Mr. M.L. Shanmukh | Chairman |
| 2) | Dr. Ajit T. Kalghatgi | Member |
| 3) | Mr. P.R. Acharya | Member |

28 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.

29 Loans/Guarantees/Investments

The particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 are 'NIL'.

30 Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a Draft Policy relating to the remuneration for the directors, key managerial personnel and other employees. The details are set out in the Corporate Governance Report.

31 Internal Financial Controls

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

32 Management Discussion and Analysis Report

The Management Discussion and Analysis Report as per the Government(DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises(CPSEs), is attached to this Report at **Annexure 1**.

33 Corporate Governance Report

A report on Corporate Governance as per the DPE guidelines for Central Public Enterprises is attached to this Report at **Annexure 2**.

34 Corporate Social Responsibility

As per the provisions of Section 135 of the Companies Act, 2013 and The Companies(Corporate Social Responsibility) Rules,2014 it is recommended that the company should undertake CSR activities and spend at least two percent of the average net profits of the three preceding financial years on CSR activities.

Pursuant to the above referred provisions,the company has formed a CSR Committee of the Board comprising of the following members:-

- | | | |
|----|-----------------------|----------|
| 1) | Mr. M.L. Shanmukh | Chairman |
| 2) | Dr. Ajit T. Kalghatgi | Member |
| 3) | Mr. P.R. Acharya | Member |

During the year, BELOP has borrowed apprx. ₹ 25 Cr to meet the working capital requirements and it is required to resort to borrowing additional funds from banks etc., to meet pending deficit in working capital. Therefore, considering the paucity of funds with the company, the Board of Directors decided not to spend any amount on CSR activities during the year 2014-15.

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 3**.

35 Sustainability Report

As required under the Guidelines on "Sustainable Development" issued by the Department of Public Enterprises, Govt. of India a separate chapter on the company's efforts on "Sustainable Development" is annexed to this Report at **Annexure 4**.

36 Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as **Annexure 5**.

37 Particulars of Employees

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

38 Other Disclosures

Information required to be disclosed in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Companies(Accounts) Rules,2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given at **Annexure 6**.

39 Acknowledgement

Your Directors place on record their appreciation for the valuable support received from all the Customers particularly the Defence Services and the para military forces and also the Ministry of Defence, Department of Defence Production and look forward to their continued support and co-operation in future. Your Directors also appreciate the co-operation extended by M/s Photonis for implementation of ToT at BELOP and look forward to a continued fruitful association in future. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Chairman, Members and Employees of the Audit Board, Statutory Auditor, Company's Bankers and Vendors. Your Directors appreciate the sincere efforts put in by all the employees at all levels which enabled your company to achieve the good performance during the year. Your Directors express their appreciation and gratitude for the support received from the holding Company, M/s Bharat Electronics Limited and Shareholders, particularly the Specified Undertaking of the Unit Trust of India.

For and on behalf of the Board

-sd-

SUNIL KUMAR SHARMA
Chairman

Place : Bangalore

Date : 22nd July 2015

Annexure No. 1 to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A) Industry Structure and Developments, Strengths, Weaknesses, Opportunities and Threats and Major Initiatives undertaken and planned to ensure sustained performance and growth****a) General outlook of economy, industry in which the Company operates, market conditions and how these impact the Company, measures taken / action plan to protect the interest of the Company;**

The Indian economy has started picking up and has the potential for consistent economic growth in the next few years. The government is giving greater emphasis on "Make in India" initiative and more so for the Defence industry. The maximum 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. Increased focus on the Indian defence market also brings in the threat of private players entering the market but on account of it's strengths BELOP would be prepared to sustain the competition and meet the growth potential.

b) SWOT Analysis**❖ Strengths:**

- Availability of State of the Art Technology, Infrastructure and trained Manpower to manufacture indigenously high performance I.I Tubes.
- Established Vendor base for supply of Raw Materials and Components for sustained manufacture of I.I. Tubes.
- Strong D&E and Project Team for continual upgradation of Processes, Manufacturing and Test Infrastructure to provide better Product to the Customers.
- Long term commitment to customers
- Good work ethics
- Quality Management System (QMS) certified to ISO 9001:2008 and Environmental Management System (EMS) certified to ISO 14001:2004.
- Strong customer support

❖ Weaknesses:

- Single Product and exclusively dependent on a Single Customer i.e., Indian MoD.
- Major Raw Materials & Components (RM&Cs) are not available in the Country. Needs increased technical efforts to develop indigenous sources for supply of import substitutes for RM&Cs.

❖ **Opportunities:**

- Potential Market for High Performance I.I. Tubes for minimum 8-10 Years considering enhanced Defence and internal Security needs of the Country.
- Government's emphasis on Make in India manufacture of defence equipments

❖ **Threats:**

- Opening up of defence products manufacturing to private sector by government

c) Major initiatives undertaken and planned to ensure sustained performance and growth:a) **Technology updation and R & D**

BELOP has commenced supply of XD-4 I.I. Tubes through in-depth manufacturing to it's customers. The company is also making efforts for development of new products through inhouse R & D. In order to meet the requirements of further enhanced performance Tubes by the Indian Army, the Company has entered, into a ToT Agreement with M/s Photonis France SAS, France and their Sister Company, M/s Imaging Sensors International, France for the manufacture of XR-5 I.I. Tubes during May 2014. It is expected that the XR-5 project implementation would start in the near future.

d) Specific Measures on Risk Management, Cost Reduction and Indigenisationa) **Risk Management**

The Company has an established Risk Management Policy, which outlines a framework for risk identification, evaluation, prioritization and treatment of various risks associated with different areas of operation such as technology, product, market, human resources, finance and other operations. The company has put in place a comprehensive 'Risk Management Framework' for the continuous identification, updation, evaluation, prioritization and management of risks. Under this framework, at Apex Level there is Risk Management Committee(RMC) headed by the Chief Executive Officer(BELOP) and members drawn from important functional areas like manufacturing, Marketing, Design and Engineering, Finance and HR. The Risk Champion (RC) is at the level of DGM. The RMC reviews the risk management efforts in the company as a whole on a quarterly basis. The RMC submits quarterly report to the management and the Audit Committee. The company reports about the status of RM to the Board annually.

Certain risks which have been identified are being addressed by introducing suitable Risk mitigation processes. Similarly, in case of any key managerial decisions the risk factors are highlighted for the decision making authority to take informed decision.

b) **Cost Reduction and Indigenisation**

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. The company has carried out the following activities in manufacturing and sub-contract area which has resulted in increase in the quality and productivity and in consequent cost reduction.

- Upgradation of Ultra Sonic cleaning equipment with push-pull type of transducers to improve the Quality of the cleaning of the components.
- Modification in the process of MCP cleaning to reduce the defects of MCP emission.
- Improvement in the quality of spring washers resulting in reductions in rejections for Cath-MCP short circuit.
- Indigenisation of metal component viz. contact rings.
- Increase in utilization of Ultra Pure Water Plant capacity.

B) **Internal Control System and it's adequacy**

The company has an adequate system of Internal Control commensurate with it's size and nature of it's operations. These have been designed to provide measures with a view to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorization and ensuring compliance of company's policies and procedures issued from time to time.

The internal audit of the company for the year 2014-15 was conducted by the internal audit team of BEL.

Your company has an Audit Committee which reviews the Internal Control Systems and the significant audit observations submitted by the internal audit. The adequacy of the Internal Control procedures is reviewed and reported by the Statutory Auditors in their Audit Report. BELOP being a Government Company is subject to audit by the Comptroller and Auditor General of India.

C) **Financial/Operational Performance**

1. **Strategy & Objectives**

The main objectives of the financing strategy of the company are as follows:-

- (i) To make available funds by effective cash flow management with a view to have least borrowing and consequently least interest cost.
- (ii) To effectively execute tax planning thereby improving the post tax yield.
- (iii) To meet the expectations of the various stakeholders.
- (iv) To maintain highest standards of financial reporting by following the mandatory accounting standards.

Each of the objectives listed continue to be accorded the highest priority by BELOP. During the financial year, the company made efforts to fund the working capital needs and the funding for capital expenditure from the internal resources to the maximum extent and minimizing the borrowing for working capital from banks.

2. Performance Highlights

(₹ in Lakhs)

Particulars	2014-15	2013-14
Gross Sales	10,264.93	17,147.34
Total Expenditure Before Finance Costs	14,305.61	19,417.13
Profit Before Finance Costs and Tax	663.47	810.57
Operating Margin(PBIT/Gross Sales) Ratio%	6.46	4.73
Profit After Tax	366.69	496.19
No. of Days Inventory/Value of Production(DPE Method)	109	61.95
No. of Days Sundry Debtors	41	33
Current Ratio	0.64	0.80
Debt Equity Ratio	Nil	Nil

3. Analysis of Financial performance of 2014-15

- Turnover decreased by 40.14% from ₹ 17,147.34 Lakhs in 2013-14 to ₹ 10,264.93 Lakhs in 2014-15.
- Value of Production has decreased by ₹ 3,907.71 Lakhs from ₹ 14,613.26 Lakhs in 2013-14 to ₹ 10,705.55 Lakhs in 2014-15.
- PAT has decreased by 26.10% from ₹ 496.19 Lakhs in 2013-14 to ₹ 366.69 Lakhs in 2014-15.
- PAT to Sales Ratio in 2014-15 is 3.57%.
- Sales per Employee has decreased by 49.67% from ₹ 155 Lakhs in 2013-14 to ₹ 78 Lakhs in 2014-15.
- Earning per share is ₹ 20.01.
- Net worth has increased by 6.67% from ₹ 5,451.18 Lakhs in 2013-14 to ₹ 5,814.46 Lakhs in 2014-15.

D) Development in Human Resources/Industrial Relations

The company has provided training on technical and quality related topics of total 628 mandays amounting to an average of 4.76 mandays per employee.

Annexure No. 2 to the Board's Report

CORPORATE GOVERNANCE REPORT

Philosophy and Code of Governance

BELOP'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. BELOP 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.

Board of Directors

Composition

At present, the Board of Directors comprises of four Directors including the Chairman. The Chairman of the BEL Board is the Chairman of the Board and BELOP. All the four Directors are nominated by BEL (as per the Articles of Association) of BELOP.

The composition of the Board of Directors is given below :-

- | | | |
|----|------------------------------------|-----------------------|
| a) | Shri. Sunil Kumar Sharma, Chairman | CMD,BEL |
| b) | Shri M.L. Shanmukh, Director | Director (HR),BEL |
| c) | Dr. Ajit T. Kalghatgi, Director | Director (R & D),BEL |
| d) | Shri. Prabhat R. Acharya,Director | Director(Finance),BEL |

Meetings and Attendance

During the financial year ended 31.3.2015, five Board Meetings were held and the maximum interval between any two meetings was 90 days. The Board Meetings were held on 29.04.2014, 21.05.2014, 28.7.2014, 28.10.2014, 21.1.2015. 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:-

Sr.	Directors	Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 23rd Sept. 2014	No. of other director ships held	* Number of Committee membership across all companies	
						As Chairman	As Member
	Part time Directors						
1	Mr. Sunil Kumar Sharma	5	3	Yes	3	Nil	Nil
2	Mr. M L Shanmukh	5	5	Yes	1	1	1
3	Dr. Ajit T. Kalghatgi	5	5	Yes	3	Nil	1
4	Mr.Prabhat R. Acharya	5	4	Yes	3	Nil	2

* Membership of Audit Committee and Stakeholders' Relationship Committee alone are considered.

Code of Conduct

The Board of Directors of your company has laid down a Code of Conduct for all Board members and senior management personnel of the company as per the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises(DPE Guidelines). 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 is attached to this Report.

Audit Committee

The composition of the Company's Audit Committee is three Directors as specified in Section 177 of the Companies Act, 2013. In addition, the Statutory Auditor of the Company and the Internal Auditor attend the meetings of the Audit Committee. The Company Secretary is the Secretary to the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 23rd September 2014. The terms of reference of the Audit Committee are as specified in Section 177 of the Companies Act, 2013 and as per the DPE guidelines.

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

- Oversight of the Company's financial reporting process
- Reviewing the quarterly unaudited financial statements
- Approval of remuneration to statutory auditors and cost auditors
- Reviewing the Management Discussion & Analysis Report on financial and operational performance
- Reviewing the adequacy and effectiveness of the Company's system and internal controls and Governance Processes
- 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

During the year ended 31.3.2015, the Audit Committee met four times on 21.05.2014, 28.7.2014, 28.10.2014 and 21.1.2015.

The attendance of the Chairman and members of the Audit Committee in the above meetings was as follows:-

Name	Meetings held during respective tenure of Director	No. of meetings attended
Mr. M. L. Shanmukh	4	4
Dr. Ajit T. Kalghatgi	4	4
Mr. P.R. Acharya	4	3

Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee" with the composition as outlined below:-

- | | | |
|----|-----------------------|----------|
| 1) | Mr. M.L. Shanmukh | Chairman |
| 2) | Dr. Ajit T. Kalghatgi | Member |
| 3) | Mr. P.R. Acharya | Member |

Remuneration Policy

a) Remuneration to Directors

BELOP would fix the remuneration of Directors whenever required, in a manner that is compliant with the prescriptions laid down by Government of India communicated from the Ministry of Defence, from time to time.

b) Remuneration to Key Managerial Personnel(KMP) and other Employees

BELOP would ensure the following while fixing the remuneration of the Key Managerial Personnel(KMP) and other Employees

- i) The company shall abide by any directives issued by the Government of India in this regard.
- ii) The level and composition of remuneration fixed would be reasonable and sufficient to attract, retain and motivate the employees required to run the company successfully.
- iii) The level of remuneration would be such that there would exist a clear relationship between performance and remuneration.
- iv) The remuneration would comprise of a fixed pay and incentive pay in a judicious proportion appropriate to the working of the company and enabling the company to achieve it's short-term and long-term performance objectives and goals.

Remuneration to Directors

The Company does not pay any remuneration to its Directors. The Company has not issued any stock options to its Directors.

Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Corporate Social Responsibility Committee has been constituted.

The salient terms of reference of the Corporate Social Responsibility Committee (CSR) are as follows:-

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.

- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause 'a'
- c) To monitor the Corporate Social Responsibility Policy of the company from time to time.

The composition of the Corporate Social Responsibility Committee as at 31st March,2015 is as follows:-

1)	Mr. M.L. Shanmukh	Chairman
2)	Dr. Ajit T. Kalghatgi	Member
3)	Mr. P.R. Acharya	Member

The Company has adopted a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company. However, considering the paucity of funds with the company, the Board of Directors decided not to spend any amount on CSR activities during the year 2014-15.

Directors' Shareholding

One Director Dr. Ajit T. Kalghatgi holds 10 Equity shares in the company as on 31.3.2015.

Other Board Subcommittees

Your Directors have constituted the following Subcommittees of the Board: -

Investment Committee consisting of the Chairman, three Directors, CEO, and Head of Finance to approve investment of short-term surplus funds.

General Body Meetings

Details of last three Annual General Meetings are as follows:-

Year	Location	Date & Time
2011-12	Registered Office	28 th September 2012 at 12.30 PM
2012-13	Registered Office	27 th September 2013 at 12.00 PM
2013-14	Registered Office	23 rd September 2014 at 12.30 PM

All the resolutions, including special resolutions, set out in the respective notices of last three Annual General Meetings were passed by the shareholders. No resolutions were put through postal ballot last year.

Disclosures

- (a) The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Point No. 9 of Note 31 of Notes to Accounts in the Annual Report.
- (b) No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.

- (c) No items of expenditure, other than those directly related to its business or incidental thereto, and those spent towards the welfare of its employees/ex-employees, were debited in books of accounts.
- (d) Administrative and office expenses as a percentage of total expenses and reasons for increase, if any:

Administrative and office expenses were 0.63 % of the total expenses for the year 2014-15 as against 0.70 % in the previous year. No significant deviation during the year.

MCA-21 Compliance

The e-governance initiative of the Ministry of Corporate Affairs in the administration of the Companies Act, 2013 (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 2014-15.

Presidential Directives and Guidelines

Your company is required to follow the Presidential Directives and guidelines issued by the Government of India from time to time regarding reservation for SC's, ST's and OBC's in letter and spirit. Liaison Officer is required to be appointed in the Company to ensure implementation of the Government Directives. Officials dealing with the subject shall be provided necessary training to enable him/her to update his/her knowledge on the subject and perform their job effectively. The verification of the caste certificates submitted by the employees at the time of joining needs to be carried out in the Company to ascertain the representation. The recruitment/promotion rosters are required to be prepared and maintained in the Company after completion of the verification of caste certificates. Your company is required to implement the Government Directives on reservation for persons with Disabilities and Ex-Servicemen.

Shareholding Pattern as on 31 March 2015

Sr.	Category	No. of Shareholders	No. of Shares	% Holding
1	Promoter - M/s Bharat Electronics Limited	1	17,00,223	92.79
2	Financial Institutions - Specified Undertaking of the Unit Trust of India	1	1,32,000	7.21
3	Individuals	6	70	0.00
	Total	8	18,32,293	100.00

Top 10 Shareholders as on 31 March 2015

Sr.	Name	No. of Shares	% Holding
1	Promoter - M/s Bharat Electronics Limited	17,00,223	92.79
2	Financial Institutions - Specified Undertaking of the Unit Trust of India	1,32,000	7.21
3	Individuals	70	0.00

Credit Rating

ICRA has assigned the following credit ratings of the Company for 2014-15:

- (i) Long-term rating of [ICRA]AA (pronounced ICRA double A) to ₹ 4000 lakhs fund based bank limits.
- (ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 600 lakhs non-fund based bank limits.

The outlook on the long-term rating is 'stable'. These ratings are valid till 6th November 2015.

CEO/CFO Certification

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

Compliance

The company has been submitting quarterly compliance report on Corporate Governance to the DPE.

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.

Registered Office/Address for Correspondence

BEL Optronic Devices Ltd.
Registered Office, EL-30,'J', Block, MIDC, Bhosari Industrial Area, Pune- 411026
Phone: (020) 27130981/2/3/4; Fax: (020) 27130589; e-mail: info@belop.co.in

Declaration

Pursuant to 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 dt. 22nd June 2007, 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 BEL Optronic Devices Limited for the year ended 31st March 2015.

For BEL OPTRONIC DEVICES LIMITED

-sd-

**Sunil Kumar Sharma
Chairman**

**Place:- Bangalore
Date :- 22nd July 2015**

Annexure No. 3 to Board's Report

REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy is given furnished below :-
 - a) BELOP recognises and accepts the Corporate Social Responsibility it shoulders whereby it resolves to serve the environment that has sustained the activities and endeavours of BELOP over the years.
 - b) BELOP is committed to its stakeholders to conduct CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
2. The Composition of the CSR Committee is as outlined below :-

1)	Mr. M.L. Shanmukh	Chairman
2)	Dr. Ajit T. Kalghatgi	Member
3)	Mr. P.R. Acharya	Member
3. Average net profit of the company for last three financial years is ₹957.35 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) is ₹19.14 lakhs
5. Details of CSR spent during the financial year.
The company has not spent any amount on CSR activities during the year 2014-15.
6. Reasons for not spending the two percent of the average net profit of the last three financial years or any part thereof on CSR activities during the year.

During the year, BELOP has borrowed apprx. ₹25 Cr to meet the working capital requirements and it is required to resort to borrowing additional funds from banks etc., to meet pending deficit in working Capital. Therefore, considering the paucity of funds with the company, the Board of Directors decided not to spend any amount on CSR activities during the year 2014-15.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company is furnished below:-

Responsibility Statement

The CSR Committee of BELOP hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

-sd-

(S.S.Kulkarni)
Chief Executive Officer, BELOP

-sd-

(M.L. Shanmukh)
Chairman, CSR –Committee, BELOP

Annexure No. 4 to Board's Report**SUSTAINABILITY REPORT**

Government of India, Department of Public Enterprises (DPE) vide Office Memorandum No. 3(9)-2010-DPE (MoU) dated 23 September 2011 issued guidelines on Sustainable Development for Central Public Enterprises.

Above DPE guidelines define "Sustainable Development" as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable Development involves an enduring and balanced approach to economic activity, social progress and environmental responsibility.

BELOP which, is certified for ISO 14001:2004, is committed to sustain the environment with growth. It maintains a green environment in its premises and has implemented various environmental management practices.

Sustainable Development Initiatives**Emissions to Air**

Air emissions from processes are controlled through appropriate air pollution control Equipment. Air emission stacks are monitored as per Air (Prevention & Control of Pollution) Act 1981 on quarterly basis.

Water Management

As per MPCB Consent, company has installed water meters at appropriate locations and is monitoring consumption of water on daily basis.

Noise Pollution

The noise levels in the factory premises are measured periodically, as per MPCB norms on quarterly basis.

Water Pollution

The industrial effluents are treated in ETP Plant & disposed off as per MPCB norms. The company has also installed Sewage Treatment Plant (STP) for treatment of effluents & recycled water is used for garden purpose.

Hazardous Waste Management System

The company is disposing its Hazardous Waste as per Hazardous Waste Rules 2008, to MPCB authorised recycler. Regular returns of the same are being submitted in Form IV every year.

On Site Emergency Plan and Systems

Local & company wide Mock Drill are conducted periodically & On Site Emergency Plan has been displayed in factory premises at prominent locations

Ecological Sustainability

The company focuses on planting trees and maintaining a green and clean environment.

Annexure No.5 to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U31909PN1990GOI058096
ii)	Registration Date:	10 th September 1990
iii)	Name of the Company	BEL Optronic Devices Limited
iv)	Category/Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	EL 30, J Block, Bhosari Industrial Area, Pune 411026 Tel No.020-27130981/2/3
vi)	Whether Listed Company	No
vii)	Name, Address and contact details of Registrar and Share Transfer Agent, if any	Not Applicable

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	Image Intensifier Tube	3320	99.71%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Bharat Electronics Limited	L32309KA1954GOI000787	Holding	92.79	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise Share Holding

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									
c) State Govt(s)									
d) Bodies Corporate	-	17,00,223	17,00,223	92.79	-	17,00,223	17,00,223	92.79	-
e) Banks / FI	-	1,32,000	1,32,000	7.21	-	1,32,000	1,32,000	7.21	-
f) Any other									
Sub Total(A) (1)	-	18,32,223	18,32,223	100	-	18,32,223	18,32,223	100	-
(2) Foreign									
a) NRI-Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any other									
Sub Total(A) (2)									
Total Shareholding of Promoter (A) = [(A)(1)+(A)(2)]	-	18,32,223	18,32,223	100	-	18,32,223	18,32,223	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt(s).									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital									
i) Others (specify)-									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corporate									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	70	70	0.00	-	70	70	0.00	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	-	70	70	0	-	70	70	0	-
Total Public Shareholding (B) = [(B)(1)+ (B)(2)]	-	70	70	0	-	70	70	0	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	18,32,293	18,32,293	100	-	18,32,293	18,32,293	100	-

(II) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	
1	Bharat Electronics Ltd	17,00,223	92.79	0	17,00,223	92.79	0	0
2	Specified Undertaking of Unit Trust of India	1,32,000	7.21	0	1,32,000	7.21	0	0
	Total	18,32,223	100.00	0	18,32,223	100.00	0	0

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

Sl. No.		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
1	At the beginning of the year	No Change during the year			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change during the year			
3	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):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2014)		Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr.A.R. Vaidya	20	0.00109	20	0.00109
2.	Mr.A.K.Khasbag	10	0.00050	10	0.00050
3.	Mr.Amarnath Kundu	10	0.00050	10	0.00050

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	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
1	Name: Dr. Ajit T. Kalghatgi, Director				
	At the beginning of the year	10	0.0005	10	0.0005
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	10	0.0005	10	0.0005

Sl. No.	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
2	Name: Mr. S.S. Kulkarni, Chief Executive Officer				
	At the beginning of the year	10	0.0005	10	0.0005
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	10	0.0005	10	0.0005

Sl. No.	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
3	Name: Ms. Priya Iyer, CFO & Company Secretary				
	At the beginning of the year	10	0.0005	10	0.0005
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	10	0.0005	10	0.0005

INDEBTEDNESS**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change In Indebtedness during the financial year				
* Addition	2,472.87	-	-	2,472.87
* Reduction	-	-	-	-
Net Change	2,472.87	-	-	2,472.87
Indebtedness at the end of the financial year				
i) Principal Amount	2,472.87	-	-	2,472.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.81	-	-	4.81
Total (i+ii+iii)	2,477.68	-	-	2,477.68

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	NA	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NA	NA	Nil
2	Stock Option	NA	NA	Nil
3	Sweat Equity	NA	NA	Nil
4	Commission			
	-as % of profit	NA	NA	Nil
	-others, specify	NA	NA	Nil
5	Others, please specify	NA	NA	Nil
	Total (A)	NA	NA	Nil

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors			
	Fee for attending Board/ committee meetings	NA	NA	Nil
	Commission	NA	NA	Nil
	Others, please specify	NA	NA	Nil
	Total (B) (1)	NA	NA	Nil
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings	NA	NA	Nil
	Commission	NA	NA	Nil
	Others, please specify	NA	NA	Nil
	Total (B) (2)	NA	NA	Nil
	Total (B)= (B)(1)+(B)(2)	NA	NA	Nil

(C) Remuneration to key managerial personnel other than MD/Manager/WTD

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		CEO	Company Secretary & CFO
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,42,984	4,19,491
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	148,798	11,340
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	5,17,439	2,19,984
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	-as % of profit	-	-
	-others, specify	-	-
5	Others, please specify		
	Retirement Benefit	4,48,991	1,59,613
	Total	27,58,212	8,10,428

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees	Authority [RD / NCLT/ COURT]	Appeal made, If any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICER IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure No.6 to the Board's Report

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.**

Installation of digital timers for ultrasonic cleaning machines in chemical process department.

Optimum utilisation of Air Conditioning Plant to maintain clean room conditions.

Maintain Unity Power Factor to avail Power factor incentive in monthly electricity bills.

ii) The steps taken by the company for utilising alternate sources of energy

Feasibility Study for Grid connect roof top solar PV plant done and proposal under consideration.

iii) The capital investment on energy conservation equipments.

During the year the company has not made capital investment on energy conservation equipments.

B TECHNOLOGY ABSORPTION**i) Efforts, In brief, made towards Technology absorption, adaptation and innovation**

- During the Year, the Company has absorbed and implemented the Technology of in-depth manufacture (IM) of XD-4 performance I.I. Tubes through Transfer of Technology from M/s Photonis, France.
- The Company has acquired, absorbed and implemented the technology to manufacture Auto-gated I.I. Tubes through integration of Auto-gated Power Supply Unit with I.I. Tube Module, Encapsulation of Tubes and Testing of Auto-gated I.I. Tubes, including In-house design, fabrication and installation of Test facility for High Light Resolution.
- Upgradation of the existing manufacturing and Test Equipment to improve Productivity, Process consistency and Process Data Traceability.
- Conceptualisation and preliminary design of Elements of Database Software for logging and analysis of manufacturing and Test Data of XD-4 performance I.I. Tubes.
- Upgradation of AHU and installation of dehumidifiers to improve humidity control in clean room areas, Power Supply and Tube Assembly departments

ii) Benefits derived as a result of the above efforts

- Implementation of indigenous manufacturing technology for delivery of high performance I.I. Tubes including those of Auto-gating Type, to the Customers.
- Upgradation of Infrastructure for better productivity, process consistency, and process data traceability, resulting in overall Customer satisfaction.

iii) Information regarding technology imported during the last three years

In May 2011, the Company has signed a Transfer of Technology (ToT) Agreement with M/s Photonis, France for the manufacture of XD-4 Type I.I. Tubes required for Indian Army. The ToT has been implemented and fully absorbed and the Company has started in-depth Manufacture of XD-4 performance I.I. Tubes from December 2014 onwards.

In order to meet the requirements of further enhanced performance Tubes by the Indian Army, the Company during May 2014, has entered into incremental ToT Agreement with M/s Photonis France SAS, France and their Sister Company, M/s Imaging Sensors International, France for the manufacture XR-5 I.I. Tubes. It is expected that the XR-5 project would be implemented from September 2015 onwards.

iv) Expenditure on R&D

The Company has incurred an expenditure of approx. ₹ 50 Lakhs during the year 2014-15.

C FOREIGN EXCHANGE EARNING AND OUTGO

No disclosure of the foreign exchange earning and outgo is furnished on account of the application submitted to the Government of India, Ministry of Company Affairs.

SIGNIFICANT ACCOUNTING POLICIES:**A. 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.

B. Use of Estimates:

The preparation of the financial statements in conformity with GAAP, requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as at the date of financial statements and 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.

C. Revenue Recognition:

i) Sales are recognised on completion of contract terms and inspection by customer's inspectors and when the goods are handed over to customer or to carriers for onward delivery to customers.

In case of FOR destination contracts, sales are recognised, if there is a reasonable expectation of the goods reaching destination within the accounting period.

ii) Sales exclude Sales Tax / Value Added Tax (VAT) and include excise duty.

iii) Income from services are recognised on completion of services.

iv) Other income is recognised on accrual basis.

D. Inventory Valuation:

i) Raw materials, stores & spares and goods in transit have been valued at lower of cost and net realisable value and Cost of material is determined on weighted average basis.

ii) Work-in-Progress has been valued at the lower of cost and net realizable value. Cost includes materials cost and cost of conversion to the extent applicable.

iii) Finished Goods have been valued at the lower of cost and net realisable value.

E. Depreciation/Amortisation:

- i) 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.
- ii) Cost of Leasehold land is amortised over the lease period.
- iii) Intangible assets are amortised over a period of ten years on straight line method.
- iv) Prorata depreciation/amortisation is charged from/upto the date on which the assets are put to use/are deleted or discarded.

F. 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) Incentives and Bonuses 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 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) Defined contribution to Employee Provident Fund and Pension Scheme are made on a monthly accrual basis at the applicable rates. Defined contribution to Superannuation Scheme is made on yearly basis at the applicable rates.
- iii) Gratuity: Incremental liability for payment of gratuity 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.

G. Income Tax:

Tax expenses comprising of Current Tax after considering deferred tax as determined under the prevailing tax laws are recognised in Statement of Profit and Loss for the period.

Current Tax is the amount of Income tax determined to be payable in respect of taxable income as computed under the tax laws.

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 and is recognised in the Statement of Profit and Loss for the period in accordance with AS 22 - "Accounting for Taxes on Income".

H. Prior Period Adjustments Extra-Ordinary Items and Exceptional Items:

Prior Period Adjustments, Extra-Ordinary items and Exceptional Items having material impact on the financial affairs of the company are disclosed in the financial statements.

I. Foreign Currency Transactions:

Foreign exchange transactions 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 transactions 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 amortized as income / expenditure over the life of the contract.

The exchange rate differences on the amount of forward exchange contract 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 are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. The exchange difference arising from the rates prevailing at the time of entering into contract and the reporting date are also accrued and adjusted in the Statement of Profit and Loss.

Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense in the period when the cancellation or renewal occurs.

J. Borrowing costs:

Borrowing cost including interest and other expenses incurred for specific borrowing of funds that are attributable to acquisition, construction and fabrication of fixed assets are capitalised as cost of fixed assets till they are put to use.

K. Fixed Assets, Capital Work In Progress and Intangible Assets under development:**a) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation / amortization 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 difference if any, arising in respect of liabilities in foreign currency incurred for acquisition of the same upto 31.03.2007.

b) Capital work in progress

Capital work in progress comprises supply-cum-erection contracts, the value of capital supplies received at site and accepted capital goods in transit and under inspection and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date.

c) Intangible Assets

The cost of License Fee acquired for transfer of technology resulting in significant future economic benefits is recognised as an Intangible Assets 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".

L. Technical Assistance:

Revenue Expenditure incurred on technical assistance is charged off to Statement of Profit and Loss on incurrence.

M. Investment:

- i) Long term investments are stated at cost. In case there is permanent diminution in the value of the investments, provision for the same is made in the Accounts.
- ii) Short-term investments are carried at lower of cost or market value/fair value.

N. Impairment of Assets:

The assessment for the impairment of assets is done with reference to the Company [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 rate.

O. Government Grants:

All Grants from Government are initially recognized 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 utilized 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.

P. Provision for Doubtful Debts:

Provision for Bad and Doubtful debts is generally made for debts outstanding for more than two years, excepting those which are contractually not due as per the terms of contract or those which are considered realizable based on a case to case review.

Q. Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash flow Statements issued by the Institute of Chartered Accountants of India.

R. Provision for Warranties:

Provision for Expenditure on account of performance guarantee and replacement / repair of goods sold is made on the basis of trend based estimates.

S. 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.

Contingent liabilities to the extent the management is aware, are disclosed by way of notes to the accounts.

T. Research & Development Expenditure:

1) Research and Development expenditure (Other than on specific development-cum-sale contracts) is charged off as expenditure when incurred. R&D expenditure on development-cum-sale contracts are treated at par with other sale contracts.

2) R&D expenditure on Fixed Assets is capitalised.

As per our report attached

MSDN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 112479W

-sd-

SUNIL KUMAR SHARMA
Chairman

-sd-

M.L. SHANMUKH
Director

-sd-

M.K. GAVASKAR
PARTNER
MEM. NO. 037573

-sd-

AJIT T. KALGHATGI
Director

-sd-

PRABHAT R. ACHARYA
Director

-sd-

Place: PUNE
Date : 19th May 2015

S.S. KULKARNI
Chief Executive Officer

-sd-

PRIYA S. IYER
Company Secretary & CFO

Place: BANGALORE
Date : 19th May 2015

BEL OPTRONIC DEVICES LIMITED
BALANCE - SHEET AS AT 31ST MARCH, 2015

Amount in ₹

Sr. No.	Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I	EQUITY AND LIABILITIES			
(1)	Shareholder's Funds			
	(a) Share Capital	1	18,32,29,300	18,32,29,300
	(b) Reserves and Surplus	2	39,82,16,843	36,18,88,422
			58,14,46,143	54,51,17,722
(2)	Grants	3	1,91,87,42,983	2,08,22,67,739
(3)	Non-Current Liabilities			
	(a) Deferred Tax Liabilities (net)	4	70,43,038	4,91,156
	(b) Other Long term liabilities	5	2,26,972	63,77,225
	(c) Long term provisions	6	72,72,933	57,01,095
			1,45,42,943	1,25,69,476
(4)	Current Liabilities			
	(a) Short-Term Borrowings	7	24,72,86,912	-
	(b) Trade payables	8	42,09,78,909	25,87,94,890
	(c) Other current liabilities	9	13,83,14,686	58,21,80,099
	(d) Short-term provisions	10	8,51,67,657	6,36,06,113
			89,17,48,164	90,45,81,102
	Total		3,40,64,80,233	3,54,45,36,039
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	89,53,26,868	22,14,71,859
	(ii) Intangible Assets	12	1,84,25,97,541	-
	(iii) Capital work-in-progress	13	17,33,014	70,15,15,683
	(iv) Intangible Assets under Development	14	-	1,89,16,59,862
			2,73,96,57,423	2,81,46,47,404
	(b) Long term loans and advances	15	84,56,477	50,15,775
	(c) Other non-current assets	16	8,87,89,297	51,03,841
			9,72,45,774	1,01,19,616
(2)	Current assets			
	(a) Inventories	17	31,87,75,358	24,80,35,082
	(b) Trade receivables	18	11,52,68,394	15,52,40,316
	(c) Cash and Bank Balances	19	9,05,14,409	24,50,44,579
	(d) Short-term loans and advances	20	3,02,94,635	5,69,70,149
	(e) Other current assets	21	1,47,24,240	1,44,78,893
			56,95,77,036	71,97,69,019
	Total		3,40,64,80,233	3,54,45,36,039

SEE ACCOMPANYING NOTES (1 TO 31) TO THE FINANCIAL STATEMENTS

As per our report attached

MSDN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 112479W

-sd-

M. K. GAVASKAR
PARTNER
MEM. NO. 037573

Place : PUNE
Date : 19th May 2015

-sd-

SUNIL KUMAR SHARMA
Chairman

-sd-

AJIT T. KALGHATGI
Director

-sd-

S. S. KULKARNI
Chief Executive Officer

Place : BANGALORE
Date : 19th May 2015

-sd-

M. L. SHANMUKH
Director

-sd-

PRABHAT R. ACHARYA
Director

-sd-

PRIYA S. IYER
Company Secretary & CFO

BEL OPTRONIC DEVICES LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Amount in ₹

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
I	REVENUE FROM OPERATIONS:			
	Turnover			
	(a) Sale of Products		1,02,19,05,609	1,70,89,98,207
	(b) Sale of Services		45,87,527	57,36,000
	(c) Gross Sales (a+b)		1,02,64,93,136	1,71,47,34,207
	(d) Excise Duty		32,18,358	2,43,972
	(e) Net Turnover (c-d)		1,02,32,74,778	1,71,44,90,235
II	OTHER INCOME	22	21,50,36,858	12,83,15,090
III	TRANSFER OF GRANT			
	(a) TPDUP		8,52,827	22,15,585
	(b) ToT XD-4	31	25,78,96,889	17,77,31,462
	Total (a)+(b)		25,87,49,716	17,99,47,047
IV	TOTAL REVENUE (I+II+III)		1,49,70,61,352	2,02,27,52,372
V	EXPENSES:			
	(a) Cost of Materials Consumed	23	98,76,58,738	1,33,52,73,622
	(b) Cost of Stores & Spares Consumed	23	93,06,899	96,50,236
	(c) Changes in Process Stock & Finished Goods	24	(4,86,49,433)	24,76,71,698
	(d) Employee Benefit Expense	25	7,46,45,550	6,93,88,643
	(e) Finance Costs	26	1,21,75,378	59,13,667
	(f) Depreciation and Amortisation Expense	11&12	8,75,52,708	1,89,14,488
	(g) Technical Assistance Fees & Travel expenses	27	19,48,52,360	16,79,97,796
	(h) Other Expenses	28	12,51,93,828	9,28,17,301
	TOTAL EXPENSES (a to h)		1,44,27,36,028	1,94,76,27,451
VI	Profit before exceptional, extraordinary items & tax (IV-V)		5,43,25,324	7,51,24,921
VII	Exceptional Items		-	-
VIII	Profit before extraordinary items & tax (VI-VII)		5,43,25,324	7,51,24,921
IX	Extraordinary items		-	-
X	Profit for the year (VIII-IX)		5,43,25,324	7,51,24,921
XI	Prior Period Items (Net)	29	1,53,552	(18,853)
XII	Profit for the period before tax (X-XI)		5,41,71,772	7,51,43,774
XIII	Tax Expense:			
	(a) Current tax		-	2,20,10,120
	(b) Current tax (MAT)		1,36,18,942	-
	(c) MAT Credit entitlement		(26,68,261)	-
	(d) Net Current Year Tax (b-c)		1,09,50,681	2,20,10,120
	- Earlier Years		-	2,96,476
	- Deferred Taxes		65,51,879	32,17,906
	Total Provision for Taxation		1,75,02,560	2,55,24,502
XIV	Profit For the period (XII-XIII)		3,66,69,212	4,96,19,272
XV	Earning per equity share:			
	(1) Basic (In Rupees)	30	20.01	27.08
	(2) Diluted (In Rupees)		20.01	27.08

SEE ACCOMPANYING NOTE (1 TO 31) TO THE FINANCIAL STATEMENTS

As per our report attachedMSDN & ASSOCIATES
Chartered Accountants
Firm Reg. No. 112479W-sd-
M. K. GAVASKAR
PARTNER
MEM. NO. 037573Place : PUNE
Date : 19th May 2015-sd-
SUNIL KUMAR SHARMA
Chairman-sd-
AJIT T. KALGHATGI
Director-sd-
S. S. KULKARNI
Chief Executive OfficerPlace : BANGALORE
Date : 19th May 2015-sd-
M. L. SHANMUKH
Director-sd-
PRABHAT R. ACHARYA
Director-sd-
PRIYA S. IYER
Company Secretary & CFO

NOTE 1 - SHARE CAPITAL

Particulars	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
Authorised Capital: 35,00,000 (Previous period 35,00,000) equity shares of ₹ 100/- each	35,00,00,000	35,00,00,000
Issued Capital: 19,74,370 (Previous period 19,74,370) equity shares of ₹ 100/- each	19,74,37,000	19,74,37,000
Subscribed and Paid - up Capital: 18,32,293 (Previous period 18,32,293) equity shares of ₹ 100/-each fully paid up	18,32,29,300	18,32,29,300

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	As at 31st March, 2015		As at 31st March, 2014	
	No of shares	Amount ₹	No of shares	Amount ₹
No of equity shares outstanding at the beginning of the year	18,32,293	18,32,29,300	18,32,293	18,32,29,300
Add : Additional equity shares issued during the year	-	-	-	-
Less : Equity Shares forfeited/Bought back during the year	-	-	-	-
No of equity shares outstanding at the end of the year	18,32,293	18,32,29,300	18,32,293	18,32,29,300

Notes:

1. Out of the above 17,00,223 (Previous Year 17,00,223) Equity Shares of ₹ 100 each are held by Bharat Electronics Ltd, the Holding Company.
2. Details of the Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	2014-15		2013-14	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Equity Shares:				
Bharat Electronics Ltd	17,00,223	92.79	17,00,223	92.79
Specified Undertaking of Unit Trust of India	1,32,000	7.21	1,32,000	7.21

NOTE 2 - RESERVES AND SURPLUS

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Surplus:		
As per last Balance Sheet	36,18,88,422	31,22,69,150
*Less : Depreciation Adjustment	(3,40,791)	-
Add : Profit/(Loss) for the period	3,66,69,212	4,96,19,272
Total	39,82,16,843	36,18,88,422

* Refer Note No.31(1)(B)

NOTE 3 - GRANTS

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
GRANT TPDUP PROJECT		
As per last Balance Sheet	27,20,543	49,36,128
Less : Transferred Statement of Profit & Loss	8,52,827	22,15,585
Sub -Total (1)	18,67,716	27,20,543
ToT		
As per last Balance Sheet	2,07,95,47,196	1,40,39,25,841
Add: Received during the year	9,52,24,960	85,33,52,817
Less: Transferred Statement of Profit & Loss during the year	25,78,96,889	17,77,31,462
Sub -Total (2)	1,91,68,75,267	2,07,95,47,196
Total (1+2)	1,91,87,42,983	2,08,22,67,739

BELOP has entered into an Agreement with M/s Photonis, France for transfer of technology for manufacture of Higher Specification I.I. Tubes at BELOP and 84.76% of the ToT Cost is funded by way of Grant. Accordingly, 84.76% of the expenses incurred in the year 2014-15 towards ToT has been transferred to income in the Statement of Profit and Loss. As on 31.03.2015, BELOP has received a grant of ₹249.75 Cr and yet to receive a grant of ₹ 5.00 Cr

Details of Long Term Compensated Absences Scheme as required by the Accounting Standard 15 (Revised) Employee Benefits are as under

I) Leave Encashment

The company has a leave encashment scheme which is a non-funded scheme.

As per the scheme all employees of the company are entitled to encash their accumulated Annual Leave subject to the retention of minimum leave as prescribed for each grade. The encashed leave is payable at the rate of (Basic+DA)/30 per day.

The liability for payment of long term compensated absence such as annual leave valued on actuarial basis is ₹ 89,05,289/- as on 31.03.2015. The actuarial valuation has been done using PUC method

Particulars	31.03.2015	31.03.2014
Retirement Age	58 years	58 years
Attrition Rate	2%	2%
Future Salary Rise	5%	5%
Rate of Discounting	7.99%	9.33%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The amount of Liability on long term compensated absences has been bifurcated between current and non-current based on the report of Actuary.

Current Liability:	₹ 16,32,352/-
Non Current Liability	₹ 72,72,933/-
Total	₹ 89,05,285/-

NOTE 8 - TRADE PAYABLES

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Trade payables	42,09,78,909	25,87,94,890
Total	42,09,78,909	25,87,94,890

Note

The information regarding amounts due to Micro and Small Enterprises as required under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as on 31st March 2015 is furnished below.

- Principal amount payable to Micro and Small Enterprises (to the extent identified by the company from available information and relied upon by the auditors) as at 31st March, 2015 is ₹ NIL (Previous year - ₹ NIL) including unpaid amount of ₹ NIL (Previous year - ₹ NIL) outstanding for more than 30 / 45 days. Estimated interest thereon is ₹ NIL (Previous Year - ₹ NIL)
- 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 9 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	₹		₹	
Advances Progress Payments received from Customers		10,93,97,130		53,16,14,267
Statutory Dues Payable				
TDS Payable	3,79,727		3,12,64,399	
Sales Tax payable	1,35,58,001		95,33,560	
Service Tax Payable	-		8,25,159	
R&D Cess Payable	-		5,64,440	
Excise Duty Payable	48,24,037		2,49,846	
Other Statutory Dues Payable	6,94,437	1,94,56,202	9,09,012	4,33,46,416
Interest Payable to Revenue Authorities				
Income Tax	10,06,052		15,63,659	
Excise Duty	4,46,559	14,52,611	1,34,916	16,98,575
Accrued Interest on Buyers Credit		4,81,836		-
Deposits payable				
EMD Deposits	2,78,840		1,59,000	
Security Deposits	29,32,257	32,11,097	30,28,516	31,87,516
Other Payables		43,15,810		23,33,325
Total		13,83,14,686		58,21,80,099

NOTE 10 - SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	₹		₹	
Provision for Income Tax (Net of Advance Tax)-(Refer Note-15)		1,28,61,850		1,95,94,523
Provision for Warranty		2,61,88,023		1,34,52,488
Provisions towards Employee Benefits				
Long-Term compensated absences	16,32,352		15,95,597	
Gratuity	27,57,279		-	
Annual Incentive	39,54,558		25,26,193	
Pay Revision	3,77,73,595	4,61,17,784	2,58,51,302	2,99,73,092
Gr. Super Annuation Scheme BEL		-		5,86,010
Total		8,51,67,657		6,36,06,113

Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (Accounting Standard-29)

I) PROVISION FOR WARRANTY

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Carrying Amount at the beginning of the year	1,34,52,488	84,21,517
Additional Provision made during the year	1,28,90,510	50,35,777
Amounts Used during the year	1,54,975	4,806
Unused amounts reversed during the year	-	-
Carrying Amounts at the end of the year	2,61,88,023	1,34,52,488

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

1) Warranty Provision:

Warranty costs are accrued at the time of sale of products , based on past experience. The provision is discharged over the warranty period of 24/48 months from the date of sale.

II) LONG TERM COMPENSATED ABSENCES

Please refer Note No. 6

III) GRATUITY

Details of Employee Benefits as required by the Accounting Standard 15 (Revised)
Employee Benefits are as under:

(A) Defined Contribution Plan

Amount recognized as an expense in the Profit and Loss Account in respect of Defined Contribution Plans is ₹ 27,57,279/- (Previous Year - ₹ Nil).

(B) Defined Benefit Plan

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the statement of Profit & Loss.
- ii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.
- iii) Gratuity plan is funded.

Amount in ₹

Particulars		Gratuity	
		Current year	Previous Year
(C)	Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :		
1	Present Value of Defined Benefit Obligation as on 1st April	1,45,47,451	1,41,43,317
2	Current Service cost	8,03,726	8,26,943
3	Interest Cost	13,57,277	11,66,824
4	Losses (gains) on Curtailment	-	-
5	Liabilities extinguished on settlements	-	-
6	Plan amendments	-	-
7	Actuarial (gains)/losses on obligations	24,40,081	(11,22,971)
8	Actuarial (gains)/losses on obligations-Due to Experience	(1,68,403)	-
9	Benefits paid	-	(4,66,662)
10	Present value of Defined Benefit Obligation as on Balance Sheet date.	1,89,80,132	1,45,47,451

(D) Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :			
1	Fair value of Plan assets as on 1st April	1,48,83,351	1,25,66,021
2	Expected return on plan assets	12,94,852	10,93,244
3	Actuarial gains and losses on plan assets	44,650	1,13,452
4	Actual contributions by employers	-	15,77,296
5	Benefits paid	-	(4,66,662)
6	Plan assets as on 31st March	1,62,22,853	1,48,83,351

(E) Analysis of Defined Benefit Obligation :			
1	Defined Benefit Obligation as at 1st April	(1,89,80,132)	(1,45,47,451)
2	Fair Value of Plan assets at the end of the year	1,62,22,853	1,48,83,351
3	Net (Asset)/Liability recognized in the Balance Sheet as at 31st March	27,57,279	(3,35,900)

III) GRATUITY**Details of Employee Benefits as required by the Accounting Standard 15 (Revised)****Employee Benefits are as under:**

Amount in ₹

	Particulars	Current Year	Previous Year
(F)	Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :		
1	Present value of Defined Benefit Obligation	(1,89,80,132)	(1,45,47,451)
2	Fair value of plan assets	1,62,22,853	1,48,83,351
3	Funded status [Surplus/(Deficit)]	(27,57,279)	(3,35,900)
4	Unrecognized Past Service Costs	-	-
5	Net asset/(Liability) recognized in Balance Sheet	(27,57,279)	3,35,900

(G)	Components of employer expenses recognized in the statement of profit and loss for the year ended 31st March 2015		
1	Current Service cost	8,03,726	8,26,943
2	Interest cost	10,21,377	11,66,824
3	Expected return on plan assets	(12,94,852)	(10,93,244)
4	Curtailment cost/(credit)	-	-
5	Settlement cost/(credit)	-	-
6	Past Service cost	-	-
7	Actuarial Losses/(Gains) to be recognised	22,27,028	(12,36,423)
8	Total expense recognised in the Statement of Profit & Loss under Contribution to Gratuity Fund	27,57,279	-

(H) In respect of Funded Benefits with respect to gratuity and superannuation, the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"

(I)	Principal Actuarial Assumptions :		
1	Discount Rate (%)	7.99	9.33
2	Expected Return on plan assets (%)	7.99	8.70
3	Salary Escalation (%)	5.00	5.00
4	Medical cost inflation (%)	0.00	0.00

- The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(J)	Experience History		
1	Defined Benefit Obligation at the end of the period	(1,89,80,132)	1,45,47,451
2	Plan Assets at the end of the period	1,62,22,853	1,48,83,351
3	Funded Status Deficit	(27,57,279)	(3,35,900)
4	Experience adjustments on plan liabilities	(1,68,403)	-
5	Experience adjustments on plan assets	44,650	-

(K) Contributions expected to be paid to the plan during the next financial year ₹ 27,57,279/-

NOTE 11 - FIXED ASSETS - TANGIBLE

Description of Assets	Cost				Depreciation / Amortization/ Diminution				Net Block	
	As at 1st April 2014 ₹	Additions during the year ₹	Deductions during the year ₹	As at 31st March, 2015 ₹	Upto 1st April 2014 ₹	For the year ₹	On Deductions ₹	Upto 31st March, 2015 ₹	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Leasehold Land	23,34,780	-	-	23,34,780	5,48,178	24,660	-	5,72,838	17,61,942	17,86,602
Buildings	8,05,27,508	-	-	8,05,27,508	4,02,57,419	26,89,619	-	4,29,47,038	3,75,80,470	4,02,70,089
Plant & Machinery	57,48,31,941	71,19,11,362	-	1,28,67,43,303	40,81,06,840	3,34,11,873	-	44,15,18,713	84,52,24,590	16,67,25,101
Office Equipment	38,00,436	-	-	38,00,436	31,81,282	1,88,287	-	33,69,569	4,30,867	9,33,081
Electrical installation	1,98,10,470	-	-	1,98,10,470	1,21,44,667	11,27,385	-	1,32,72,052	65,38,418	76,65,803
Furniture & Fixtures	78,52,260	5,62,459	-	84,14,719	52,73,485	4,46,745	-	57,20,230	26,94,489	25,81,055
Computer Systems	53,14,225	23,735	-	53,37,960	38,28,681	4,13,187	-	42,41,868	10,96,092	15,10,128
Total	69,44,71,620	71,24,97,556	-	1,40,69,69,176	47,33,40,552	3,83,01,756	-	51,16,42,308	89,53,26,868	22,14,71,859
Previous year	52,88,42,270	16,56,29,350	-	69,44,71,620	45,40,85,273	1,89,14,488	-	47,29,99,761	22,14,71,859	7,47,57,000

1.Plant and Machinery (Gross Block) Includes Assets to the tune of ₹ 28,363,205/- (Previous Year ₹ 28,363,205/-) which is funded out of grant under TPDUP Project

2.Plant and Machinery (Gross Block) includes Assets to the tune of ₹ 66,23,22,771/- (Previous Year ₹ 6,85,16,374/-) which is funded out of grant received for implementation of Transfer of Technology (ToT).

3.Depreciation of ₹ 3,83,01,756/- includes depreciation on ToT equipments of ₹ 2,01,90,941/-.

4.The carrying amount of the asset as on 1.4.2014 where the remaining life of the assets is 'Nil' amounting to ₹3,40,791/- is reduced from the opening cumulative depreciation. Office Equipment ₹ 3,13,927/- Furniture & Fixtures ₹2,280/- and Computer Systems ₹ 24,584/-.

5.Depreciation is provided on Straight Line method (SLM) in accordance with Schedule II of Companies Act 2013

6.The Useful life of Assets for calculation of depreciation other than those under Schedule II of the Companies Act, 2013 are as under:

i) Plant and Machinery (Continuous Process plant) 15 Years

As per the terms of the Technology License Agreement the linear Transfer Lines are supported by the ToT provider for a period of 15 years.

7.Additional Depreciation of 50 % and 100% has been charged on Plant & Machinery Items in respect of double shift working and triple shift working respectively.

8.The Company has acquired 13680 square meter of land on lease from MIDC on lease for 95 years at cost of ₹ 20,52,000/- on 25.11.1991 with a renewable option of further 95 years on new terms and conditions. Cost of leasehold land capitalised is ₹ 23,34,780/-

NOTE 12 - FIXED ASSETS-INTANGIBLE

Description of Assets	Cost				Depreciation / Amortization/ Diminution				Net Block	
	As at 1st April 2014 ₹	Additions during the year ₹	Deductions during the year ₹	As at 31st March, 2015 ₹	Upto 1st April 2014 ₹	For the year ₹	On Deductions ₹	Upto 31st March, 2015 ₹	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
License Fee	-	1,89,16,59,862	-	1,89,16,59,862	-	4,92,34,983	-	4,92,34,983	1,84,24,24,879	-
Computer Operating System	-	1,88,631	-	1,88,631	-	15,969	-	15,969	1,72,662	-
Total	-	1,89,18,48,493	-	1,89,18,48,493	-	4,92,50,952	-	4,92,50,952	1,84,25,97,541	-
Previous year	-	-	-	-	-	-	-	-	-	-

1.Intangible Assets (Gross Block) Includes ₹ 1,60,33,70,899/- (Previous Year ₹ Nil/-) which is funded out of grant received for Implementation of Transfer of Technology (ToT).

2.Amortisation of ₹ 4,92,50,952/- Includes Amortisation on ToT License Fee of ₹ 4,92,34,983/-.

NOTE 13 - CAPITAL WORK IN PROGRESS

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	Plant and Machinery	17,33,014	17,33,014	70,08,91,402
Add: Capital Goods in Transit		-		6,24,281
Total		17,33,014		70,15,15,683

NOTE 14 - INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	ToT			
Opening Balance	1,89,16,59,862		91,29,10,726	
Add: Addition during the year	-	1,89,16,59,862	97,87,49,136	1,89,16,59,862
Less: Amount Capitalised During the Year		1,89,16,59,862		-
Total		-		1,89,16,59,862

NOTE 15 - LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	Advance Payment of Income Tax (Net of Provision) (Refer Note No.10)		-	
Prepaid Expenses		5,366		35,150
MAT Credit entitlement		26,68,261		-
Deposits:				
Deposit with Excise Authority	1,000		1,000	
Deposit with Court	13,91,490		13,91,490	
Deposit for Octroi	23,57,710		23,57,710	
Deposits with MSEB	17,87,400		9,94,800	
Deposits for water supply	1,28,250		1,18,625	
Other Deposits	1,17,000	57,82,850	1,17,000	49,80,625
Total		84,56,477		50,15,775

NOTE 16 - OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	Capital Advance		8,37,98,472	
Interest Accrued on Fixed Deposits		3,87,036		10,00,052
Other Bank Balances				
In Fixed Deposit (Maturity More than 12 months)		46,03,789		41,03,789
Inventories				
Raw Material	1,62,29,320		8,69,028	
Less: Provision for Obsolescence	1,62,29,320	-	8,69,028	-
Trade Receivables				
Considered Doubtful	46,00,238		24,05,885	
Less: Provision for Doubtful Debts	46,00,238	-	24,05,885	-
Advances to Suppliers				
Considered Doubtful	19,59,337		19,59,337	
Less: Provision for Doubtful advances	19,59,337	-	19,59,337	-
Total		8,87,89,297		51,03,841

NOTE 17 - INVENTORIES

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	Raw materials	10,36,85,539		8,59,93,737
Stores & Consumables	1,44,60,544		1,01,20,571	
Process Stock	19,96,59,993	31,78,06,076	15,10,10,560	24,71,24,868
Machinery Spares		9,69,282		9,10,214
Total		31,87,75,358		24,80,35,082

Notes

- 1) Raw materials includes Goods-in-transit ₹ 1,58,65,004/- (Previous year ₹ 23,01,410/-)
- 2) Raw material and Components with Sub-contractors are subject to reconciliation on confirmation as a regular exercise. The impact, if any, on consequent adjustment is considered not material.
- 3) Raw materials and Components lying with sub contractor as on 31.03.2015 is ₹ Nil (Previous Year ₹ Nil)

NOTE 18 - TRADE RECEIVABLES

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Considered Good		
Exceeding Six months	14,71,244	22,88,256
Not Exceeding Six months	11,37,97,150	15,29,52,060
Total	11,52,68,394	15,52,40,316

NOTE 19 - CASH AND BANK BALANCES

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
1. CASH AND CASH EQUIVALENTS		
Cash and stamps in hand	68,022	1,66,515
Balances with banks		
In Current Accounts	1,08,57,196	94,05,490
In Cash Credit Account	2,51,39,195	45,91,652
In Fixed Deposits	3,53,52,387	21,72,54,127
Sub -Total (1)	7,14,16,800	23,14,17,784
2. OTHER BANK BALANCES		
In Fixed Deposit (Maturity within 12 Months)	1,90,97,609	1,36,26,795
Sub -Total (2)	1,90,97,609	1,36,26,795
Total (1+ 2)	9,05,14,409	24,50,44,579

NOTE 20 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
Unsecured Advances -				
Considered Good				
Employees	24,892		5,580	
Suppliers	1,63,13,918	1,63,38,810	5,21,67,488	5,21,73,068
ToT				
Advance TDS (XR-5)	62,33,303		-	
Service Tax Paid on ToT Advance (XD-4)	-		47,97,081	
Advance Service Tax Paid on (XR-5)	76,27,847	1,38,61,150	-	47,97,081
Service Tax Deposit		94,675		-
Total		3,02,94,635		5,69,70,149

NOTE 21 - OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015		As at 31st March, 2014	
		₹		₹
Interest Accrued on Fixed Deposits		10,07,750		3,33,198
Prepaid Expenses		9,30,582		8,40,532
Stipend Receivable (Trainees)		34,956		72,341
Leave Encashment Receivable from BEL		2,75,700		-
Sales Tax Receivable from BEL-MC		6,24,800		6,24,800
Balance with Revenue Authorities				
Input Service Tax Balance	-		20,29,012	
Service tax Receivable	2,595		-	
VAT Refund Receivable	1,33,478		1,33,478	
Income Tax Refund Due	77,69,296		77,20,960	
FBT Refund Due	45,928		45,928	
VAT Input Tax Credit	12,828		1,51,852	
CST Refund Receivable	28,86,327		25,26,792	
Stamp Duty Receivable	10,00,000	1,18,50,452	-	1,26,08,022
Total		1,47,24,240		1,44,78,893

NOTE 22 - OTHER INCOME

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Interest on Fixed Deposit	1,11,21,055	2,59,63,498
Interest others	94,242	93,774
Sundry provisions and credit balances no longer required, written back	3,76,320	52,631
Net gain on foreign currency transaction and translation (net)@	16,53,90,003	-
Liquidated Damages recovered from Supplier*	3,69,55,993	10,14,61,900
Miscellaneous Income	10,99,245	7,43,287
Total	21,50,36,858	12,83,15,090

@The Foreign Exchange gain is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/the reporting date.

*Liquidated Damages mainly consists of recovery from M/s Photonis France ₹ 3,67,39,125/- (Previous Year ₹ 9,52,31,229/-)

NOTE 23 - COST OF MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Raw Material and Components consumed		
Opening Stock	8,45,61,356	4,61,19,013
Add: Purchases	1,00,71,47,237	1,37,37,15,965
	1,09,17,08,593	1,41,98,34,978
Less : Closing Stock	10,40,49,855	8,45,61,356
Sub - Total (1)	98,76,58,738	1,33,52,73,622
Stores and Consumables consumed		
Opening Stock	1,01,20,571	88,09,207
Add: Purchases	1,36,46,872	1,09,61,600
	2,37,67,443	1,97,70,807
Less : Closing Stock	1,44,60,544	1,01,20,571
Sub -Total (2)	93,06,899	96,50,236
Total (1+2)	99,69,65,637	1,34,49,23,858

NOTE 24 - DECREASE / (INCREASE) STOCKS IN PROCESS

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹		₹	
Process Stock				
Opening stock	15,10,10,560		39,83,50,940	
Closing stock	19,96,59,993	(4,86,49,433)	15,10,10,560	24,73,40,380
Finished Goods				
Opening stock	-		3,31,318	
Closing stock	-	-	-	3,31,318
Total Decrease / (Increase)		(4,86,49,433)		24,76,71,698

NOTE 25 - EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹		₹	
Salaries and Allowances		6,19,89,883		5,95,19,067
Leave Encashment		23,59,717		24,82,366
Contribution to Provident Fund and other funds				
Provident Fund	39,59,710		34,48,709	
Superannuation Fund	10,56,020		10,27,274	
Gratuity	27,57,279		-	
Other Funds	1,30,283	79,03,292	5,93,498	50,69,481
Administration & EDLI Charges on PF		4,33,785		3,54,131
Staff welfare expenses		19,58,873		19,63,598
Total		7,46,45,550		6,93,88,643

NOTE 26 - FINANCE COSTS

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	₹		₹	
Interest on Demand Loan		-		6,00,603
Interest others		9,704		11,776
Interest on Cash Credit		29,309		-
Interest on Buyers Credit		9,99,530		-
Interest on Income Tax		10,06,052		15,63,659
Interest on Excise Duty		4,46,558		1,34,916
Sub -Total (1)		24,91,153		23,10,954
Other Borrowing Cost				
Loan Processing Charges		96,84,225		36,02,713
Sub -Total (2)		96,84,225		36,02,713
Total (1+2)		1,21,75,378		59,13,667

NOTE 27 -TECHNICAL ASSISTANCE FEES AND TRAVEL EXPENSES

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
ToT - XD-4		
Technical Assistance Fees	17,65,04,202	15,01,47,863
Travelling Expenses-ToT	-	19,40,400
Service Tax	1,83,48,158	1,59,09,533
Total	19,48,52,360	16,79,97,796

NOTE 28- OTHER EXPENSES

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
Power and Fuel	2,82,79,578	2,03,82,709
Gases	21,52,498	12,18,205
Water charges	5,38,501	3,23,102
Travelling & Conveyance	20,39,515	20,82,051
Communication	9,12,697	9,86,815
Printing and Stationery	3,94,561	4,35,938
Insurance	15,40,497	20,14,376
Rates & Taxes	27,00,882	22,90,958
Bank Charges	18,25,959	17,96,001
Legal & Professional Charges	21,62,002	14,80,411
Loss on Foreign Exchange (net)**	-	2,10,66,529
Excise Duty others	44,39,275	2,49,846
Repairs :		
To Machinery	40,17,054	1,38,86,389
To Building	-	22,18,290
General Maintenance Expenses	1,06,67,921	83,00,718
Liquidated Damages	3,09,62,682	63,73,260
Provision for Doubtful Debts/Advances	21,94,353	-
Provision for repairs during Warranty Period	1,28,90,510	50,35,777
Provision for obsolete Stores	1,53,60,292	8,69,028
Miscellaneous Expenses	21,15,051	18,06,898
Total	12,51,93,828	9,28,17,301

**The Foreign Exchange Loss is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/the reporting date.

NOTE 29- PRIOR PERIOD INCOME AND EXPENSES

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
PRIOR PERIOD INCOME & EXPENSES		
A. Expenses		
Interest	-	10,036
Repairs & Maintenance	4,390	2,529
Misc Expenses	12,726	-
Power and Fuel	1,21,330	-
Rent, Rates and Taxes	16,749	1,920
Telephone Expenses	-	1,131
Total (A)	1,55,195	15,616
B. Income		
Admin and EDLI Charges PF	-	27,948
Interest	1,643	6,521
Total (B)	1,643	34,469
NET TOTAL [(INCOME)/EXPENSES]	1,53,552	(18,853)

NOTE 30 - EARNING PER SHARE

- (a) The amount used as the numerator in calculating basic and diluted earning per share is the net profit after tax for the year disclosed in the statement of Profit and Loss.
- (b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is 18,32,293.

Note-31**General Notes to Accounts****1 Changes in Accounting policies**

A) The company has modified various accounting policies as outlined below with effect from 2014-15.

- a) Accounting Policy on Basis of Accounting
- b) Accounting Policy on Prior Period Adjustments and Extra-Ordinary Item
- c) Accounting Policy on Fixed Assets and Capital Work In Progress
- d) Accounting Policy on Depreciation/Amortisation

The modifications to the Accounting Policies mentioned at Sr. No. 'a' to 'c' have no material impact on the Profit for the year nor are they expected to have a material effect in later years. However, the modification to the Accounting Policy at Sr. No. 'd' has an impact on the Profit for the year the same is disclosed in Point No. B below.

B) Impact relating to change in accounting estimate of useful life of assets

From the current year, depreciation is being calculated considering the useful life of assets as prescribed in Schedule II of the Companies Act, 2013. Earlier, the company was calculating the depreciation based on useful life of assets as per the policy of the company. It is ascertained that depreciation would be higher by ₹ 47,92,723/-(net of grant), if it had been calculated as per the previous year policy and consequently there is an increase in the current year pre-tax profit by ₹ 47,92,723/-.

As stipulated in Schedule II of the Companies Act, 2013 in case of assets where the remaining life of the assets is 'Nil' the carrying amount of the asset as on 1.4.2014 amounting to ₹ 3,40,791/- has been recognized by way of reduction in the opening balance of retained earnings.

2 Short Term Borrowings

- a) The company has been sanctioned working capital limit of ₹ 46.00 Cr. by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 13.25% p.a. (Axis Bank) and 13% p.a.(SBI).
- b) Utilisation of Buyers Credit as on 31.3.2015 is ₹ 24,72,86,912/- (Previous Year ₹ NIL)
- c) The above sanction limit is being secured by Hypothecation of raw materials, stock-in-process, finished stocks, stores and spares, book debts and other current assets (except spare parts relating to plant and machinery) by way of first charge and first pari passu charge by way of equitable mortgage on Land & Building.

3 The Company being a Defence manufacturing company, had been granted exemption by the Ministry of Corporate Affairs till 31.03.2014 from the 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 applied for and response is awaited in respect of Defence manufacturing companies under Section 129(6) of the Companies Act, 2013. Accordingly the information required under Para 5(ii)(a)(1), 5(ii)(a)(2), 5(ii) (e), 5(iii), 5(viii)(a), 5(viii)(b),5(viii)(c), 5(viii) (e) 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. The above non disclosure has no impact on financial status as disclosed by the Annual Accounts.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 13,34,756/- (Previous Year ₹ 1,53,82,913/-).

5. **Details of Grant Transfer In respect of ToT**

Sr. No.	Particulars	Amount ₹
1	Technical Assistance	19,48,52,360
2	Depreciation	2,01,90,941
3	Amortisation of License Fee	4,92,34,983
4	Material Consumption	3,73,62,167
5	Repairs and Maintenance	26,26,762
6	Total	30,42,67,213
7	Grant Transfer (84.76% of 6)	25,78,96,889

6. In case of TPDUP project the excess Net Block of fixed assets procured represents the amount of expenses incurred by the company for which no grant was received.

7. **Payment To Auditors (Net of Service Tax)**

Particulars	Amount in ₹	
	2014-15	2013-14
Audit fees	1,00,000	1,00,000
Total	1,00,000	1,00,000

8. The Company is having possession of certain assets originally taken on lease under lease agreements with Lloyds Finance, ICICI Ltd & Times Guaranty Financials Limited for which primary and/or secondary lease period is over. In respect of ICICI Ltd and Times Guaranty Financials Limited, the lease period is over as per the OTS Scheme. The company is in process of transferring these assets in its own name and the assets would be transferred at a nominal value.

9. **Related Party Disclosures:**

A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
Bharat Electronic Limited	Holding Company

B) Related Party Transactions with holding Company Bharat Electronic Limited

Nature of Transactions	Amount of Transactions (₹)	Amount Outstanding at the end of year	
		Debit (₹)	Credit (₹)
Sales	65,18,07,374	-	-
Receipt of Grant	9,52,24,960	-	-
Rendering Services	1,85,394	-	-
Purchase of Goods	1,44,301	-	-
Debtors**	-	3,37,37,692	-
Advance for sales	-	-	10,93,59,536
Sales Tax receivable	-	6,24,800	-

** Debtors includes ₹ 44,72,234/- for which provision for doubtful debts has been made.

- i BELOP has entered in to an agreement with BEL on 30th April 2013 for temporary funding of TOT cost by BEL for ₹ 104.16 Cr and as per the terms of the agreement BELOP will compensate BEL for the cost of funds in the form of price discount against supplies of Image Intensifier Tubes.
- ii Two Officials are on deputation from, BEL (One official up to May 2014) i.e Holding Company and salaries etc is paid by the BEL Optronics Devices Limited during the year as per the terms and conditions of employment.
- iii. BEL Optronics Devices Limited has also borne the proportionate salary paid to a vigilance officer appointed by BEL.

10. Key Management Personnel are as follows:

Sr. No.	Name of Key Management Personnel	Designation
1	Mr. Sunil Kumar Sharma	CMD, BEL and Chairman, BELOP
2	Mr. M.L. Shanmukh	Director (HR), BEL and Director, BELOP
3	Dr. Ajit T. Kalghatgi	Director (R & D), BEL and Director, BELOP
4	Mr. Prabhat R. Acharya	Director (Finance), BEL and Director, BELOP
5	Mr. S. S. Kulkarni	Chief Executive Officer, BELOP
6	Ms. Priya S. Iyer	Company Secretary & CFO, BELOP

All the above Directors are Part time directors. No remuneration has been paid by the company to the above directors during this year.

11. As per the Accounting Standard – 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company’s product falls in one segment only viz., Image Intensifier Tubes, hence separate segment wise results are not disclosed.
12. The company which is a single composite cash generating unit has on the basis of assessment of internal and external factors found that there are no indications of impairment of its assets and hence no provision for the same is considered necessary.
13. **Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :**

Particulars	Currency	Amount in foreign currency		Equivalent amount in ₹	
		Current Year	Previous Year	Current Year	Previous Year
Payables	USD	5418.30	9321.80	3,39,077.46	4,75,843.33
	EURO	58,67,772.61	36,02,749.58	45,37,39,622.71	27,10,56,084.59
	SGD	-	6,893.00	-	3,07,221.01
Contingent Liability	USD	2,50,500.00	89,745.00	1,57,96,530.00	54,83,420.00
	EURO	-	-	-	-
Bank Balance	USD	4,588.68	40,554.55	2,85,507.67	24,23,256.70

14. Expenditure incurred on Research and Development during the year, which is included in the respective natural classification, is given below:-

Sr. No.	Particulars	2014-15	2013-14
a)	Capital Equipments	50,38,506	12,97,642
b)	Materials	Nil	4,90,183
c)	Employees Remuneration & Benefits	Nil	98,853
d)	Total (a+b+c)	50,38,506	18,86,678

15. The requisite details as required by the Accounting Standard 15(Revised) Employee Benefits in respect of Superannuation is outlined below :-
- a) The company has a superannuation scheme for executives in the grade of Asst. Manager and above.
- b) As per the Scheme, the company contributes 13% of the (Basic + DA) per year. For the purpose of making contribution the Basic + DA of the employees as on 1st April of each year is considered.

- c) The superannuation contribution is remitted to LIC through the superannuation trust and the accumulated sum to the credit of each employee is released by LIC to the employees through the Superannuation Trust by the way of pension.

16. Contingent Liabilities

Sr. No.	Particulars	For the year ended 31.3.2015 ₹	For the year ended 31.3.2014 ₹
a)	Outstanding Letters of Credit	1,57,96,530	54,83,420
b)	Outstanding Bank Guarantees (Counter Guarantee given against same by Company)	10,32,000	32,000
c)	*Octroi Demand disputed by the Company	13,91,490	13,91,490
d)	Service tax disputed by the company	12,62,327	-
e)	Provisional Liquidated damages upto 31 st March on unexecuted customer orders where the delivery date has expired.	1,90,83,600	1,40,24,402
f)	Total (a to e)	3,85,65,947	2,09,31,312

*Octroi demand disputed by the company and deposited with Sr. Divisional Bench of Pune Court in the financial year 2005-06, the decision of which is pending.

17. Liability, if any, in respect of labour matters under dispute before various judicial authorities is not ascertainable
18. Previous year's figures have been regrouped/ reclassified where ever considered necessary. Figure in brackets relate to previous year.

CASH FLOW STATEMENT FOR THE PERIOD 01.04.2014 TO 31.03.2015

Amount in ₹

Sr. No.	Particulars	2014 - 15	2013 - 14
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax and extraordinary items	5,41,71,772	7,51,43,774
	Adjustments for :		
	Depreciation & amortisation	8,75,52,708	1,89,14,488
	Income from investments	(1,12,15,297)	(2,60,57,272)
	Finance cost	1,21,75,378	59,13,667
	Transfer from grant	(25,87,49,716)	(17,99,47,047)
	Operating profit before working capital changes	(11,60,65,155)	(10,60,32,390)
	Adjustments for :		
	Trade and other receivables	(1,80,55,808)	43,86,02,725
	Inventories	(7,07,40,276)	21,04,82,283
	Trade payables & advances	(25,64,00,811)	(26,42,91,339)
	Cash generated from operations	(46,12,62,050)	27,87,61,279
	Direct taxes paid	(2,19,16,396)	(33,71,790)
	Cash flow before extraordinary items	(48,31,78,446)	27,53,89,489
	Extraordinary items	-	-
	Net cash from/(used) in operating activities	(48,31,78,446)	27,53,89,489
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of fixed assets	(1,29,03,515)	(1,11,58,53,765)
	Sale of fixed assets	-	-
	Bank deposits	(54,70,814)	(32,95,038)
	Interest received	1,12,15,297	2,60,57,272
	Net cash from/(used)in investing activities	(71,59,032)	(1,09,30,91,531)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Grant received	9,52,24,960	85,33,52,817
	Increase/(decrease) in term loan borrowings	-	-
	Increase/(decrease) in short term borrowings	24,72,86,912	-
	Finance cost	(1,21,75,378)	(59,13,667)
	Net cash from/(used) in financing activities	33,03,36,494	84,74,39,150

CASH FLOW STATEMENT FOR THE PERIOD 01.04.2014 TO 31.03.2015

Amount in ₹

Sr. No.	Particulars	2014 - 15	2013 - 14
	ABSTRACT		
a.	Net cash from /(used)operating activities	(48,31,78,446)	27,53,89,489
b.	Net cash from/(used) in investing activities	(71,59,032)	(1,09,30,91,531)
c.	Net cash from/(used) in financing activities	33,03,36,494	84,74,39,150
	Net increase/(decrease) in cash and cash equivalents:	(16,00,00,984)	2,97,37,108
	Cash and cash equivalents at the beginning of the year	23,14,17,784	20,16,80,676
	Cash and cash equivalents at the end of the year	7,14,16,800	23,14,17,784
	Net increase/(decrease) in cash and cash equivalents	(16,00,00,984)	2,97,37,108
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		
As per our report attached			
MSDN & ASSOCIATES Chartered Accountants Firm Reg. No. 112479W		-sd- SUNIL KUMAR SHARMA Chairman	-sd- M. L. SHANMUKH Director
-sd- M. K. GAVASKAR PARTNER MEM. NO. 037573		-sd- AJIT T. KALGHATGI Director	-sd- PRABHAT R. ACHARYA Director
		-sd- S. S. KULKARNI Chief Executive Officer	-sd- PRIYA S. IYER Company Secretary & CFO
Place : PUNE Date : 19th May 2015		Place : BANGALORE Date : 19th May 2015	

Independent Auditors' Report

**TO THE MEMBERS OF
BEL OPTRONIC DEVICES LIMITED,**

Report on the Financial Statements

We have audited the accompanying financial statements of **BEL OPTRONIC DEVICES LIMITED** ("the company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 there under.

We have 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Balance Sheet, of the state of affairs of the Company as at March 31, 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.

Report on other Legal and Regulatory Requirements

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 Companies Act 2013, we give the Annexure as a statement on the matters specified in paragraph 3 and 4 of the order

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 appears from our examination of those books.
- c) The company does not have a branch and hence there is no matter to be considered in terms of Section 143(8) of the Act.
- d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid 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) In our opinion and subject to our report above we have not come across any matter which may have an adverse effect on the functioning of the Company.
- g) Based on the written representations received from the directors as on March 31st, 2015 and taken on record by the Board of directors, none of the Directors is disqualified from being appointed as a director in terms of Sec. 164 of Companies Act 2013.
- h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, 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 statements – Refer Note 31 to the financial statements.
 - ii. The Company does not require to make provision, as required under the applicable law or accounting standards for material foreseeable losses ,if any on long term contracts including derivative contracts, since no such contracts have been entered into.

- i) Based on the examination of records and representations given by the management, we feel that the company has adequate effective internal financial control system in place for the year under audit.

**For MSDN & Associates
Chartered Accountants
FRN 112479W**

**-sd-
M.K.Gavaskar
Partner
Mem.No.037573**

**Date : 19th May 2015
Place : Pune**

Annexure to the Independent Auditors' Report

The Annexure referred to in our report to the members of **BEL OPTRONIC DEVICES LIMITED** ("the company") for the year ended on 31st March, 2015, we report that:

- 1)
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- 2)
 - a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and the book records were not material;
- 3) 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 sub paras (a) and (b) are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Thus 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 is not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this behalf.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the year under audit.

- 7)
- a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute apart from the amounts as disclosed in Notes to accounts .
 - c) According to the information given to us there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.
 - 8) The Company has not incurred cash losses during the financial year and in the immediately preceding financial year. The company does not have accumulated losses.
 - 9) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
 - 10) In our opinion, the company has not given any guarantee for loans taken by others from bank or financial institutions.
 - 11) In our opinion and according to the information and explanations given to us by the management, no term loans have been obtained during the year under audit.
 - 12) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during course of audit

**For MSDN & Associates
Chartered Accountants
FRN 112479W**

-sd-

**M.K.Gavaskar
Partner
Mem.No.037573**

**Date : 19th May 2015
Place : Pune**



To

Shri S.K. Sharma,
Chairman,
BEL Optronics Devices 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 Financial Statements of M/s. BEL Optronics Devices Limited, Pune 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) of the Companies Act, 2013 on the financial statements of M/s. **BEL Optronics Devices Limited, Pune** 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

दृ.पा / Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स / Fax : 080-2226 2491

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/S. BEL OPTRONICS DEVICES LIMITED, PUNE FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of M/s.BEL Optronics Devices Limited, Pune 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 19 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. BEL Optronics Devices Limited, Pune 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.

