



BEL OPTRONIC DEVICES LIMITED
ANNUAL REPORT
2023-24

DEAR SHAREHOLDERS,

It is with immense pleasure that I address you as the Chairman and take this opportunity to share with you the highlights of performance of your company during the past year and the future outlook for the Company.

PERFORMANCE

Your company achieved a turnover of ₹ 12645 lakhs during the year 2023-24 which is higher by 107.36% over the previous year. This growth has been achieved by good performance in the domestic and export business and diversification initiatives.

I am very delighted to inform all of you that BELOP has achieved a record Profit after tax of ₹ 1659 lakhs during the year which is 145.41% higher than that of the previous year.

You will be glad to know that BELOP has achieved the highest ever exports of ₹ 2702 lakhs during 2023-24.

Our net worth is now stronger at ₹ 28602 lakhs by registering an increase of 14.77% mainly due to increase in profits.

DIVIDEND

Your Directors have recommended a dividend of 30% of PAT for the year 2023-24 which amounts to ₹ 500 Lakhs.

RESEARCH AND DEVELOPMENT

The Company's D&E Department, along with relevant experienced executives from manufacturing departments, are driving and executing the developments towards products, process and up gradation of manufacturing and test equipment. During the year, the R&D team has carried out development of special processes and components for cooled thermal imager applications. Your company is making continuous efforts to develop new products by using its competencies and skill and to upgrade the existing products and to provide better product quality and increased productivity in the manufacturing process.

DIVERSIFICATION INITIATIVES

BELOP has taken initiatives to enhance product portfolio in its core area by bringing in variants of I.I. Tubes. BELOP's persistent efforts to expand its business through diversification have started yielding the desired results. During the year 2023-24, nearly 25% of the turnover was from products other than I.I. Tubes. The project for manufacture of aviation hoses in accordance with the Offset Contract with M/s Rosoboronexport, Russia is under implementation.

FORSEEABLE FUTURE

Amidst various achievements of BELOP during the year, the new financial year provides new challenges as well new opportunities for BELOP. It is to be noted that the Indian Defence market requirement is changing very fast and the challenges faced by BELOP is increasing day by day. In order to sustain and achieve the growth, BELOP needs to continuously innovate and adapt to the competitive business environment.

Your company has an order book position of apprx. ₹ 150 Crores as on 30.6.2024. However, the company expects to receive further orders and execute them during the year and is expected to achieve a turnover of around ₹ 200 Crores for the year 2024-25.

OTHER ACHIEVEMENTS

MoU Rating

Your company has been awarded "Very Good" rating for the year 2022-23 in respect of the MoU which BELOP enters with its holding company Bharat Electronics Limited (BEL) for establishing the performance parameters and targets for each year.

Compliance of DPE Corporate Governance guidelines

BELOP has been given "Excellent Rating" by DPE for the years 2022-23 in respect to compliance of Corporate Governance guidelines.

Credit Rating

During the year 2023-24, ICRA has assigned ratings Long-term rating AA+ and Short-term rating A1 for the year 2023-24 which indicate the high credit quality in the long and short-term.

CSR INITIATIVES

BELOP undertakes CSR initiatives/projects as per the Company's Corporate Social Responsibility Policy in line with Section 135 and Schedule VII of the Companies Act, 2013 & amendments thereof. BELOP is proposing to construct a primary health sub-centre in the village at village Walad in Taluka Khed during 2024-25.

GOVERNANCE AND SUSTAINABILITY

Your company endeavors 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 extend my sincere thanks to all the stakeholders of BELOP for their wholehearted support in all the endeavors of BELOP.

I also place on record my sincere appreciation to all the employees and officers at all levels for their immense contribution in the progress and growth of BELOP. Their dedication and commitment continues to be the major strength of our company. We shall make continuous efforts to build on these strengths to face future challenges and sustain the momentum for profitable growth.

I am confident that with BELOP'S inherent strengths, capabilities and team work, BELOP will be able to mitigate the challenges and deliver great performance in the coming years.

Thank you for the continuous support to BEL Optronics Devices Limited.

With best Wishes,

Yours Sincerely,

Sd

Manoj Jain

Chairman

Place: - Bangalore

Date: - 25th July 2024

BOARDS' REPORT

To the Members,

I have great pleasure in presenting to you, on behalf of the Board of Directors, the **34th Annual Report** highlighting the Company's performance in various metrics through the period along with the Audited Accounts for the year ended 31st March 2024 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

1 Financial Highlights

The company has achieved turnover of ₹ 12645 lakhs and has made a Profit for the year of ₹ 1659 Lakhs and Total Comprehensive Income of ₹ 1683 Lakhs during the year. The profit is the highest ever achieved in the history of the company.

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

₹ in Lakhs

PARTICULARS	2023-2024	2022-2023
Total Income	14227	8124
Profit Before Depreciation, Finance Costs and Tax	5379	2927
Finance Costs	12	16
Depreciation	3043	1997
Profit Before Tax	2324	914
Provision for Taxation	665	238
Profit for the year	1659	676
Total Comprehensive Income	1683	696

2 Dividend

The Directors have recommended a dividend of 30% of PAT for the year 2023-24 which amounts to ₹ 5.00 Cr.

3 Amount transferred to Reserves

It is not proposed to carry any amount to any reserves of the Company for the year.

4 Order Book Position

The order status of the company as on 01.04.2024 was ₹ 45.40 Crores as compared to ₹ 48.35 Crores as on 01.04.2023. During the year the company has received orders worth ₹ 124.83 Cr.

5 Future Outlook

BELOP has taken initiatives to enhance product portfolio in it's core area by bringing in variants of I.I. Tubes. Besides BELOP has initiated action to diversify into related areas and also new areas to improve business opportunities and to enable sustained growth. During the year 2023-24, nearly 25% of the turnover was from products other than I.I. Tubes. The project for manufacture of aviation hoses in accordance with the Offset Contract with M/s Rosoboronexport, Russia is under implementation.

6 MoU with Government

BELOP has signed a Memorandum of Understanding (MoU) with its holding company Bharat Electronics Limited (BEL). The Directors would like to inform you that for the year (2022-23) the company's performance has been rated as 'Very Good'.

7 Finance

During the financial year 2023-24, 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. Borrowing has been minimised through close monitoring of cash flows and efficient cash management. BELOP plans to invest through internal accruals to finance the Aviation Hoses project.

8 Credit Rating

During the year 2023-24, ICRA has assigned the following ratings to the company for the year 2023-24

- i) Long-term rating of [ICRA]AA+(pronounced ICRA double A+) to ₹ 2200 lakhs fund based bank limits.
- ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 300 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- and short-term. Both the ratings are valid till 31st March 2024. These ratings will help the company in obtaining the better terms for the various working capital facilities being availed from the Banks.

9 Deposits

The Company is not having any deposits under Chapter V of the Companies Act, 2013 and hence, disclosure under Rule 8 (5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable.

10 Research & Development (R&D)

The Company's D&E Department, along with relevant experienced Executives from manufacturing Departments, are driving and executing the developments towards products, process and upgradation of manufacturing and Test Equipment.

During the year, the R&D team has carried out development of special processes and components for Cooled Thermal Imager applications.

11 Human Resources

Your company employed 131 persons as on 31 March 2024 as against 129 employees in the previous year ending 31st March 2023. Of these employees, 37 were executives and 5 were women employees. Eight employees were inducted during the year, one employee retired during the year and five employees resigned during the year.

12 Industrial Relations

Industrial relations during the year were cordial.

13 Environment Management

BELOP maintains clean surroundings and green environment at its premises. The company also undertakes stringent measures for pollution control, waste water treatment, zero liquid discharge, energy conservation, water conservation, systematic management and disposal of hazardous and other forms of waste. The company has also upgraded its Sewage Treatment plant (STP) and Effluent Treatment Plant (ETP) with the latest technology for the treatment of Sewage and treated trade effluent is used in process and treated domestic effluent is used for Gardening purpose.

The Sustainability Report at **Annexure 1** to the Board's Report contains further details on Environment Management.

14 Quality

The company has introduced Integrated Management System, based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards. The company has been Certified for Integrated Management System, based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards from M/s TUV India Private Ltd, Mumbai in the month of January 2024 which is valid for three years. The surveillance Audit has been conducted during 2023-24 and the above certification is revalidated successfully

15 Safety

The company has a structured organization 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 following activities have been carried out:-

- ◆ Conduct of Safety Audit as per IS: 14489-2018.
- ◆ Testing of Pressure vessels and their safety valves Testing of Hoists and Lifting Tools and tackles for safe operation.
- ◆ Testing of all Electrical Appliances including transformers, busbars, earthing pits, electrical points etc.
- ◆ AMC for Fire Hydrant System to ensure Building Fire Safety.
- ◆ Servicing of , Air Compressors.
- ◆ Periodic checking all the Safety systems, Gadgets, PPEs being issued to the employees,
- ◆ Conducting health checkup for the employees.

16 Details of Subsidiaries, Joint Ventures or Associate Companies

The Company does not have any subsidiaries. The Company has not acquired or disinvested any subsidiaries, joint ventures or associate companies during the year under review.

17 Disclosure on Establishment of Vigil Mechanism

The provisions of Section 177 (9) and (10) of the Companies Act, 2013 relating to Establishment of Vigil Mechanism is not applicable to the Company and hence, the said disclosure requirements are not applicable.

18 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 Vigilance Officer for investigation.

Monthly Meetings conducted regularly and report has been submitted to BEL,CO-Vigilance through SAP portal. All the executives of the company have filed their Annual Property Returns (APR's) till the date mandated. Regular checks have been conducted upto **31.03.2024**. The details of POs as per vigilance criteria are published in BELOP website.

58 Regular & 26 Surprise inspections were conducted from **01.04.2023 to 31.03.2024**. The Vigilance Awareness Week 2023 was observed & various competitions were conducted for the Employees. No major procedural deviation is observed. The sensitive area deployment and rotation of personnel is done as per procedure. There is no case pending under investigation.

19 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, BELOP is required to enter into an Integrity Pact with all the vendors/suppliers/contractors/ service providers for all Orders/Contracts of value ₹ 300 lakhs and above. However, during October 2020 the BELOP Board has mandated that Integrity pact has to be entered in respect of all orders above ₹ 200 lakhs and to be reported to BEL-CO-VIG. **10** Purchase Orders above **Rs. 2 Crore** are placed from 01.04.2023 to 31.03.2024 where IP is signed, same has been reported to BEL, CO-VIG; in Ref. to Inter office Memo no. BELOP/MS/IP/2020-21/01 Dtd. 30.10.2020.

20 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 2023-24, no request for information under the RTI Act,2005 was received by the company.

21 Directorate

Mr. Bhanu Prakash Srivastava was appointed as a Director, whose appointment is not liable to retirement by rotation at the 33rd Annual General Meeting of the company held on 23rd August 2023.

Mr. Manoj Jain, Mr. Manoj Kumar and Mr. Damodar Bhattad were appointed as Directors, retiring by rotation at the 33rd Annual General Meeting of the company held on 23rd August 2023.

22 Board Meetings/ Change in Directors and Key Managerial Personnel

During the year six Board meetings were held, the details of which form part of the Corporate Governance Report. The details of changes with regard to the Directorate and Key Managerial Personnel of the company during the financial year are as follows :-

Sr. No.	Name of Director/KMP	Designation	Date of appointment/cessation	Remarks
1	Mr. Bhanu Prakash Srivastava	Chairman	Appointment as Director w.e.f. 22.09.2022 and as Chairman w.e.f. 01.11.2022	Appointed as Director in accordance with the nomination received from BEL not liable to retire by rotation at the 33 rd AGM held on and appointed as Chairman in accordance with the Articles of Association of the company
2	Mr. Manoj Kumar	Director	Appointment on 11.10.2022	Appointed as Director retiring by rotation in accordance with the nomination received from BEL
3	Mr. Manoj Jain	Director	Appointment on 16.12.2022	Appointed as Director retiring by rotation in accordance with the nomination received from BEL
4	Mr. Damodar Bhattad	Director	Appointment on 10.02.2023	Appointed as Director retiring by rotation in accordance with the nomination received from BEL
5	Mr. Ashok K S	CEO	Appointment on 1.08.2023	Appointed as Chief Executive Officer in accordance with the nomination received from BEL
6	Mr. DCN Srinivasa Rao	CEO	Superannuation on 31st July 2023	Superannuated as Chief Executive Officer
7	Mr. Parthanand Sarkar	CFO	Superannuation on 31st January 2024	Superannuated as Chief Financial Officer

Mr. Ashok K S, Chief Executive Officer, Mr. DCN Srinivasa Rao, (Retd.) Chief Executive Officer, Mrs. Priya Iyer, Company Secretary, Mr. P. Sarkar, (Retd.) Chief Financial Officer are the KMP's as defined under Section 2(51) of the Companies Act, 2013.

23 Declaration by Independent Directors

The Company did not have any independent directors during the financial year and hence, the declaration by Independent Directors is not applicable.

24 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) that 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 of the company for the year ended on that date;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis;
- e) that proper internal financial controls were in place and such financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

25 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.

26 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 2024 and date of signing this report is NIL.

27 Statutory Auditors

The Comptroller and Auditor General of India has appointed M/s Prass & Associates, Chartered Accountants, Pune as the statutory auditors for the year 2023-24 pursuant to the provisions of Section 139(5) of the Companies Act, 2013. The internal audit of the company for the year 2023-24 was conducted by the internal audit team of BEL.

28 Statutory Auditors' Report and CAG Certificate

The Auditors have audited the Accounts for the year 2023-24 and their Report is placed as a part of the Annual Report. There was no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor in his Report.

The Comptroller & Auditor General of India have issued "Non-Review certificate under Section 143(6)(b) for the year 2023-24 which is appended to this report.

29 Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Yogesh Kandalgaonkar, practising Company Secretary as the Secretarial Auditor for the year 2023-24. The Secretarial Audit Report submitted by Mr. Yogesh Kandalgaonkar is enclosed at Annexure 2.

30 Compliance with DPE guidelines on Corporate Governance

BELOP has initiated steps to ensure compliance with DPE guidelines on Corporate Governance. The compliance report on compliance with DPE guidelines on Corporate Governance is enclosed at **Annexure 3**.

The following non-compliances are stated in the above report which have also been pointed out by the Secretarial Auditor in his report.

The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee. This results in non-compliance of Clause 3.1, 4.1.1, 4.1.2, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.

Explanation by the Board:-

The appointment of functional , nominee and independent Directors is done by the Government of India for all CPSE's which are categorized in the Schedule of CPSE's BELOP's application for categorization is pending with MoD who has directed the holding company to review the proposal. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorization of the Company.

31 Compliance with applicable secretarial standards:

During the year under review, the Company has complied with applicable Secretarial Standards.

32 Cost Records

The company maintains cost records as specified under Section 148 of the Companies Act,2014. However, since the turnover of the Company during the immediately preceding financial year is less than the amount specified under the Companies (Cost Records and Audit) Rules, 2014, the audit of the cost records is not applicable.

33 Audit Committee

BELOP has an Audit Committee which carries out the functions mandated in the Companies Act, 2013. The Report on Corporate Governance at **Annexure 4** gives details about composition of the Audit Committee along with the members' attendance.

34 Related Party Transactions

There were no materially significant related party transactions with the company's promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the company. Transactions with related parties that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for approval, if required. Members may refer to the notes to the accounts for details of related party transactions. The details under Form AOC-II is enclosed at **Annexure 5**.

35 Loans/Guarantees/Investments

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

36 Annual Return

The copy of the annual return of the Company for the Financial Years 2023-24 will be made available in format MGT – 7 on the web-link <https://www.belop-india.in>.

37 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 at **Annexure 4**.

38 Internal Financial Controls

The company has in place adequate internal financial controls with reference to financial statements. A detailed note on internal financial controls is provided in the Management Discussion and Analysis Report.

39. Reporting of Frauds by Auditors:

There are no frauds reported for the period under review by the Auditor's under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government and hence, the said disclosure requirements are not applicable.

40 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 6**.

41 Corporate Governance Report

A report on Corporate Governance as per the DPE guidelines for Central Public Enterprises is attached to this Report at **Annexure 4**.

42 Risk Management

The measures taken for managing risks is set out in the Corporate Governance Report.

43 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 Rule 8 of The Companies(Corporate Social Responsibility) Rules, 2014 a report on CSR activities for the financial year 2023-24 is annexed herewith as **Annexure 7**.

44 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" during the year 2023-24 is annexed to this Report at **Annexure 1**.

45 Particulars of Employees information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel Rules), 2014

The Company being a Government Company, the said disclosure requirements under Section 197 are not applicable pursuant to Notification No. GSR 463(E), dated 05.06.2015.

46 Disclosure under Sexual harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013

The company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. The company has constituted an internal complaints committee to redress complaints relating to sexual harassment. No complaint on sexual harassment has been received during the year.

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

Your company, being a Defence PSU, the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies(Accounts) Rules,2014 (as amended) is not required as the Ministry of Corporate Affairs vide Notification GSR No. 680(E) dated 4th September 2015 has granted exemption to Defence Public Sector Undertakings.

48 Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

During the Financial Year ended 31st March, 2024 neither the Company made any application nor any proceeding against the Company is pending as per the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

49 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 cooperation of M/s Rosoboronexport in implementation of the Offset Contract for manufacture of aviation hoses and look forward to a successful association with them in the coming years. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Chairman, Members and Employees of the Audit Board, Statutory Auditors, 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 look forward to its continued support and participation in sustaining the growth of the company in the coming years.

For and on behalf of the Board

Place :- Bangalore
Date :- 22nd July 2024

Sd
Manoj Jain
Chairman

Annexure No.1 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 14001:2015, 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 Activities**Emissions to Air**

Air emissions from process 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 Consent & Factories Act on quarterly basis.

Water Pollution

The company has upgraded its ETP plant to meet the requirements of Zero Liquid Discharge (ZLD) to meet the latest MPCB norms. This has also enabled to company to re-use the treated water for processes, resulting in reduced consumption of natural resources.

Hazardous Waste Management System

The company is disposing its Hazardous Waste as per Hazardous Waste Rules 2019, to MPCB authorised recycler and MPCB authorised Common Hazardous Waste Treatment, Storage and Disposal Facility. Regular returns of the same are being submitted in Form 4 every year. During the year the company has made efforts to re-use certain hazardous items used in manufacturing processes in order to reduce their consumption and potential impact on the environment. BELOP has signed Selling agency Agreement with MSTC for disposal of Scrap Materials.

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. The Company has procured a Garden Waste Shredder to improve garden waste management and enable faster degradation of garden waste.

Annexure No.3 to Board's Report

Certificate on Corporate Governance**The Members of BEL Optronics Limited,**

I have examined the compliance of conditions of Corporate Governance by **BEL Optronics Limited (CIN: U32100PN1990GOI058096)** ("the Company"), for the year ended on 31st March 2024, as per the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

Opinion

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India, subject to following observations:

The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee. This results in non-compliance of Clause 3.1, 4.1.1, 4.1.2, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.

It is informed that the appointment of Functional, Nominee and Independent Directors is done by the Government of India for all CPSEs which are categorised in the Schedule of CPSEs. The Company has applied for the categorisation and the final approval from the Ministry of Defence for categorisation is awaited. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorisation of the Company.

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

Restrictions on use

This certificate is issued solely for the purpose of complying with the aforesaid Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India and may not be suitable for any other purpose.

Yogesh Kandalgaonkar**Company Secretary****FCS No. 6197, C.P. No. 20316****Unique Document Identification****Number (UDIN): F006197E000028111****Peer Review Certificate Number: 2620/2022****Place: Pune****Date: 22nd July 2024**

Annexure No. 4 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

Pursuant to the Companies Act, 2013, BELOP being a wholly owned subsidiary of Bharat Electronics Limited is a 'Government Company'.

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) Mr. Manoj Jain
(Director w.e.f. 16.12.2022 & Chairman
w.e.f. 20.6.2024) | CMD,BEL & Chairman,BELOP |
| b) Mr. Bhanu Prakash Srivastava, Chairman
Chairman w.e.f. 01.11.2022 upto 19.6.2024) | CMD,BEL & Chairman,BELOP |
| c) Mr. Manoj Kumar(upto 30.4.2024) | ED(NM),BEL & Director,BELOP |
| d) Mr. Damodar Bhattad | Director(F),BEL & Director,BELOP |

Meetings and Attendance

During the financial year ended 31.03.2024, six Board Meetings were held and the maximum interval between any two meetings was 90 days. The Board Meetings were held on 04.04.2023, 12.05.2023, 15.07.2023,06.10.2023, 25.10.2023 and 22.01.2024. 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 2023-24 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 25th August 2023	No. of other directorships held	*Number of Committee membership across all companies	
						As Chairman	As Member
Part time Directors							
1.	Mr. Bhanu Prakash Srivastava	6	6	Y	3	0	2
2.	Mr. Manoj Jain Kumar	6	6	Y	3	0	1
3.	Mr. Manoj	6	4	Y	0	0	1
4.	Mr. Damodar Bhattad	6	6	Y	2	2	1

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

Code of Conduct

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 2023-24. A declaration to this effect signed by the Chairman is attached to this Report.

Committees of the Board of Directors

Audit Committee

As a wholly owned subsidiary, BELOP is not required to constitute an Audit Committee under the Companies Act, 2013 however an Audit Committee is constituted comprising of 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 25th August 2023. 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 and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible
- ◆ Reviewing the quarterly unaudited financial statements
- ◆ Approval of remuneration to statutory auditors
- ◆ Recommendation for appointment, remuneration and terms of appointment of auditors of the company
- ◆ 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 and audit Processes and risk management systems
- ◆ Reviewing and discussing with the Management the company's major financial risk exposures and steps taken by the Management to monitor and control such exposure
- ◆ Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- ◆ To grant approval for transactions with related parties including any subsequent modifications thereto.
- ◆ Scrutiny of inter-corporate loans and investments
- ◆ Valuation of undertakings or assets of the company, wherever it is necessary.

During the year ended 31.03.2024, the Audit Committee met five times on 4.04.2023, 12.05.2023, 15.07.2023,25.10.2023 and 22.01.2024.

The composition of the Audit Committee is as outlined below:-

- | | |
|---|----------|
| 1. Mr. Damodar Bhattad (Chairman w.e.f. 04.04.2023) | Chairman |
| 2. Mr. Manoj Jain(Chairman & Member upto 03.04.2023) | Chairman |
| 3. Mr. Manoj Kumar | Member |
| 4. Mr. Bhanu Prakash Srivastava | Member |

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. Damodar Bhattad	5	5
Mr. Bhanu Prakash Srivastava	5	5
Mr. Manoj Kumar	5	3

Risk Management

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 Sr.DGM. The RMC reviews the risk management efforts in the company as a whole in 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.

Nomination and Remuneration Committee

As a wholly owned subsidiary, BELOP is not required to constitute a Nomination and Remuneration Committee under the Companies Act, 2013 however a Nomination and Remuneration Committee is constituted comprising of three directors as specified in Section 178 of the Companies Act, 2013. The composition of the Nomination and Remuneration Committee is as outlined below:-

- | | |
|---|----------|
| 1. Mr. Bhanu Prakash Srivastava | Chairman |
| 2. Mr. Damodar Bhattad (Member w.e.f. 04.04.2023) | Member |
| 3. Mr. Manoj Jain | Member |
| 4. Mr. Manoj Kumar(upto 3.4.2023) | Member |

During the year ended 31.03.2023 the NRCC Committee met five times on 4.04.2023, 12.05.2023, 15.07.2023, 25.10.2023 and 22.01.2024.

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

Name	Meetings held during respective tenure of Director	No. of meetings attended
Mr. Manoj Jain	5	5
Mr. Bhanu Prakash Srivastava	5	5
Mr. Damodar Bhattad	5	5

Some of the functions of the Nomination and Remuneration Committee is as follows:-

- ◆ Recommending policy to the Board in line with the provisions of the Companies Act, 2013, DPE guidelines and Presidential directives/guidelines issued by the Government of India.
- ◆ Recommendation to the Board of all pay related matters

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 meet the appropriate benchmarks and 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

In 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 outlined below:-

- 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 is as outlined below:-

- | | |
|---|----------|
| 1. Mr. Bhanu Prakash Srivastava(Chairman upto 3.4.2023) | Chairman |
| 2. Mr. Manoj Jain (Chairman w.e.f. 4.4.2023) | Chairman |
| 3. Mr. Damodar Bhattad(Member w.e.f. 4.4.2023) | Member |
| 4. Mr. Manoj Kumar | Member |

During the year ended 31.3.2024 the CSR Committee met five times on 4.04.2023, 12.05.2023, 15.07.2023,25.10.2023 and 22.01.2024.

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

Name	Meetings held during respective tenure of Director	No. of meetings attended
Mr. Manoj Jain	5	5
Mr. Manoj Kumar	5	3
Mr. Damodar Bhattad	5	5

The details of the various CSR activities is furnished at **Annexure 7**.

Directors' Shareholding

No Director holds Equity shares in the company as on 31.03.2024.

Other Board Subcommittees

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

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

Related Party Transactions

All transactions with related parties were in the ordinary course of business and on an arms length pricing basis.

General Body Meetings

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

Year	Location	Date & Time
2020-21	Through VC	24th September 2021 at 14.30 PM
2021-22	Through VC	23rd August 2022 at 10.45 AM
2022-23	Through VC	25th August 2023 at 15.30 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

- 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. 8 of Note 40 of Notes to Accounts in the Annual Report.
- No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.
- 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.
- Administrative and office expenses as a percentage of total expenses and reasons for increase, if any:

Administrative and office expenses were 1.60 % of the total expenses for the year 2023-24 as against 1.66 % in the previous year.

MCA-21 Compliance

The e-governance initiative of the Ministry of Corporate Affairs in the administration of the Companies Act, 1956 (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 2022-23.

Presidential Directives and Guidelines

The 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. The company has implemented the above presidential directives and guidelines including appointment of Liaison Officer for SC/ ST & OBC.

Shareholding Pattern as on 31 March 2024

Sr.	Category	No. of Shareholders	No. of Shares	% Holding
1	Promoter – M/s Bharat Electronics Limited	1	9,32,23,820	100.00

Top 10 Shareholders as on 31 March 2023

Sr.	Name	No. of Shares	% Holding
1	Promoter –M/s Bharat Electronics Limited	8,45,06,970	100.00

Credit Rating

ICRA has assigned the following credit ratings of the Company for 2023-24:

- i) Long-term rating of [ICRA]AA+ (pronounced ICRA double plus) to ₹ 2500 lakhs fund based bank limits.
- ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 300 lakhs non-fund based bank limits.

The outlook on the long-term rating is 'stable'. These ratings are valid till 31st March 2024.

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 and is provided in this Annual report.

Compliance of Corporate Governance Guidelines

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

The DPE guidelines on Corporate Governance for CPSEs provide that the CPSEs would be graded on the basis of their compliance with the guidelines. BELOP has been given "Excellent Rating" by DPE for the years 2022-23 in respect to compliance of Corporate Governance guidelines.

Registered Office/Address for Correspondence

BEL Optronics 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. 14th May 2010, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members, KMP's & Senior Management of BEL Optronics Devices Limited for the year ended 31st March 2024.

For BEL OPTRONIC DEVICES LIMITED

Place:- Bangalore

Date :- 22nd July 2024

Sd
Manoj Jain
Chairman

Annexure No. 5 to the Board's Report

Form No. AOC-II

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts/arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - (f) Date(s) of approval by the Board: Not Applicable
 - (g) Amount paid as advances, if any: Not Applicable
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: Holding Company – Bharat Electronics Limited
 - (b) Nature of contracts/arrangements/transactions: Sale of goods and services
 - (c) Duration of the contracts/arrangements/transactions: 2023-24
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
₹ 4604.00 lakhs
 - (e) Date(s) of approval by the Board: Not Applicable
 - (f) Amount paid as advances, if any: None

For and on behalf of the Board

Place: Bengaluru

Date: 22nd July 2024

Sd

Manoj Jain

Chairman

Annexure No. 6 to Board's 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, Government Budget, particularly the Defence Budget, market conditions and how these impact the Company, measures taken / action plan to protect the interest of the Company;**

Despite the global economic challenges, India's GDP is projected to surpass 7.2% in FY 2023-24 as per "Indian Economy: A Review", after three consecutive years of contraction (2020-21 onwards). India is poised to become the third largest economy, in the next three years with a GDP of US\$ 5 trillion.

The macroeconomic stability has given rise to the growth of the Indian economy as seen in robust foreign exchange reserves, growth in foreign direct investment (FDI), lower current account deficit and moderate inflation. As the World economy recovery is anticipated, the momentum of Indian economic growth is also anticipated to increase and remain one of the strongest economies.

The growth in the Indian economy and also the turbulence in the global security environment have given a boost to the defence spending.

Defence

In the interim budget for FY 2024-25, the Government has allocated ₹ 6.21 Lakh Crore to MoD, an increase of 4.7% over the previous year. The capital allocation, which relates to modernisation and infrastructure development of the Armed Forces has been increased from ₹ 1,62,600 Crore in FY 2023-24 to ₹ 1,72,000 Crore in FY 2024-25, with an increase of 5.8% over the previous year.

BELOP anticipates better flow of orders for its flagship product Image Intensifier Tubes on account of higher budget allocation.

Homeland Security

The Homeland Security market in India is spread across Central/State Governments, government entities including PSUs and Private Sector Organisations. A significant market opportunity exists in police modernisation, critical infrastructure protection, border management, counter-terrorism activities, urban area security, ground transportation, port & maritime security, etc. Prevailing internal security concerns due to terrorist activities & crime, data thefts, remote monitoring needs for centralised command & control, asset protection & disaster management, growth in public infrastructure, increased IT spending, and increase in security spending are boosting demand for the Homeland Security market in India.

In FY 2024-25, the Ministry of Home Affairs (MHA) has been allocated ₹ 2.03 Lakh Crore, with an increase of 1.4% over the revised estimate of ₹ 1.96 Lakh Crore for FY 2023-24. Of the Ministry's total budget, 65% of expenditure is on police, 31% on grants to UTs and 4% on other items such as disaster management, rehabilitation of refugees and migrants, and conducting the Census.

In the FY 2024-25 budget, ₹ 1.32 Lakh Crores has been allocated towards police in comparison to ₹ 1.27 Lakh Crore in FY 2023-24. Central Reserve Police Force (CRPF) which is primarily responsible for internal security has been allotted ₹ 32,810 Crore in 2024-25 in comparison to ₹ 31,772 Crore in the previous year. Central Industrial Security Force (CISF), which protects vital installations like Nuclear projects, airports and metro networks, has been given ₹ 13,655 Crore in 2023-24 in comparison to ₹ 12,930 Crore in the previous year.

BELOP anticipates good flow of orders for its flagship product Image Intensifier Tubes on account of higher budget allocation.

Civil Aviation

As per reports, the global domestic aviation market was valued at US\$ 966.01 Billion in 2022 and is expected to reach US\$ 1,204.31 Billion by 2029 at a CAGR of 3.2% during the forecast period. The aircraft passenger traffic in India is estimated to reach 300 million annually by 2030 from 153 million in 2023, and number of airports will increase to over 200 over the next five-six years from existing 149 in the country. With 300 million passengers a year in 2030, India's aviation penetration would be at 10-15% and still be a potential market in the decades to come. Domestic air passenger traffic witnessed 15% growth (CAGR) while international air passenger traffic was 6.1% in last decade. India is the third largest domestic civil aviation market in the world and the seventh largest international civil aviation market in the world. In the last 15 years, domestic and international cargo witnessed a growth of 60% and 53% respectively. The allocation for the civil aviation ministry stood at ₹ 3,113 Crore. Additionally, there were efforts to encourage the manufacturing of aircraft components within the country. This move aimed to boost the domestic aviation industry, creating job opportunities and reducing dependencies on imports. The government has continuously focussed on infrastructural development therefore, the industry was anticipating allocation of funds for the development of new airports and the enhancement of existing ones in order to improve facilities. The AAI has earmarked a sum of ₹ 25,000 Crore for a period of five years, for modernising 100 airports across the country.

It is anticipated that BELOP's diversification into Aviation hoses would be supported by the projected growth of the civil aviation sector.

a) Industry Structure and Developments

At present, India is one of the largest importers of Defence equipment with majority of its Defence needs being met through imports, though India's arms import have decreased in the recent years, as per the reports. The Government of India aims to develop a strong self-reliant domestic industry in the Defence sector with substantial participation from the private sector, including MSMEs and start-ups to reverse the trend of imports.

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

The Defence Acquisition Procedure 2020 (DAP 2020) has incorporated several improvements focussing on self-reliance, wherein indigenisation and innovation is enabled through processes of

make, design & development and strategic partnership. Import substitution has been facilitated through various schemes with an aim to reducing lifecycle costs and building a robust ecosystem with the help of the domestic industry/ MSMEs. Amendments to DAP-2020 are underway, in order to further simplify the Make-I and Make-II procurement process, inclusion of Space activities, etc.

To promote indigenous Defence manufacturing, the Government has undertaken initiatives like liberalisation of Industrial Licensing, development of Defence Corridors, funding for Innovation in Defence and Aerospace through iDEX / DIO, continuous updation of DPP, thrust on exports, etc. Suo moto proposals can also be submitted under Make-II category.

The MoD has proposed Reforms in Offset policy with thrust on attracting investment and transfer of technology for defence manufacturing by assigning higher multipliers.

Under these changing business scenarios, BELOP is focussing on enhancing its interaction levels and building long-term relationships with emerging Strategic Partners.

SWOT Analysis

◆ Strengths:

- Availability of State of the Art Technology, Infrastructure and trained Manpower to manufacture high performance I.I Tubes indigenously
- Over two decades of experience resulting in excellent domain knowledge and core competencies in the area of Image Intensifier Tubes
- Strong support due to long term commitment to customers, especially from Indian MoD, by way of substantial capital investment
- Certified for Integrated Management System based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards. All other systems and procedures aligned to holding company(Navaratna PSU) standards.
- Financial Support from Holding company for new projects for diversification
- Space available for creating new infrastructure for various projects
- Available manpower easily adaptable for manufacture of any other devices with minimal training

◆ Weaknesses:

- Lack of diversified product portfolio, dependence on single product
- 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.
- Maintaining continuous updation of technology

◆ Opportunities:

- Growing Defence and Security needs
- Potential Market for High Performance I.I. Tubes for minimum 5-6 Years considering enhanced Defence and internal Security needs of the Country.
- Increased impetus on modernization of central paramilitary forces
- Opportunities for diversification in new and related areas due to Government's emphasis on Atmanirbhar Bharat
- Offset Business opportunities

◆ Threats:

- Increasing competition from Private players
- Customers preference for higher specification II Tubes
- Rapid changes in night vision technology resulting in low prices of uncooled thermal imagers
- Policy interventions favouring Private sector

B) Major initiatives undertaken and planned to ensure sustained performance and growth:

i) Technology updation and R & D

The XR5 Project was implemented during 2022-23.

The ToT for Aviation hoses is under implementation.

ii) Diversification

As part of the diversification process, the company has entered into an Offset Contract with M/s Rosoboronexport, Russia for manufacture of aviation hoses and as per the terms of the Offset Contract the technology would be provided by M/s Rosoboronexport. The project is under implementation.

c) Specific Measures on Risk Management, Cost Reduction and Indigenisation

i) 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 Sr. 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.

ii) 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 various activities in manufacturing and sub-contract area which has resulted in increase in the quality and productivity and in consequent cost reduction.

c) 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 statues, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of company's policies and procedures issued from time to time.

The internal audit of the company for the year 2023-24 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 Audit Committee meets the company's Statutory Auditors to ascertain, inter alia, their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control systems followed by the company. 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.

e) 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 maintain the highest credit rating in the short term to be able to raise funds at most economical rates as and when required;
- (iii) To effectively execute tax planning thereby improving the post tax yield;
- (iv) To meet the expectations of the various stakeholders;
- (v) 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 and there was no borrowing for working capital from banks.

2. Performance Highlights

(₹ in Lakhs)

Particulars	2023-24	2022-23
Gross Sales	12645	6098
Total Expenditure Before Financing Costs	11891	7194
Profit Before Financing Costs and Tax	2324	930
Operating Margin(PBIT/Gross Sales) Ratio%	18.38	15.25
Profit After Tax	1659	676
No.of Days Inventory/Value of Production (DPE Method)	120	233
No. of Days Trade Receivables/Turnover	89	50
Current Ratio	1.13	2.10
Debt Equity Ratio	--	--

3. Analysis of Financial performance of 2023-24

- Turnover increased by 107.36% from ₹ 6098 Lakhs in 2022-23 to ₹ 12645 Lakhs in 2023-24.
- Value of Production has increased by ₹ 7033 lakhs from ₹ 5883 Lakhs in 2022-23 to ₹ 12916 Lakhs in 2023-24.
- PAT has increased by 145.41% from ₹ 676 Lakhs in 2022-23 to ₹ 1659 Lakhs in 2023-24.
- Increase in PAT to Turnover Ratio from 11.09% in 2022-23 to 13.12% in 2023-24.
- Turnover per Employee has increased by 104.26% from ₹ 47 Lakhs in 2022-23 to ₹ 96 Lakhs in 2023-24.
- Earnings per share has increased from ₹ 0.80 in 2022-23 to ₹ 1.78 in 2023-24.
- Net worth has grown by 14.77% from ₹ 24922 Lakhs in 2022-23 to ₹ 28602 Lakhs in 2023-24.

D) Development in Human Resources

The company has provided training on technical and quality related topics of total 38.12 mandays amounting to an average of 0.29 mandays per employee.

E) Accounting for intangible assets

Intangible assets

The intangible assets of Rs. 17292 lakhs shown under Non-Current Assets in the Balance Sheet (Note No.3) mainly consists of License Fees of Rs. 7174 lakhs incurred for the XD-4 project and Rs. 10117 incurred for the XR5 project. These license fees are being amortised over a period of 15 years (Term of the License Agreement). The XD-4 project was funded by the MoD, to the extent of 74.30 %. As per the company's accounting policy grants from government are measured

at fair value and initially recognised as Deferred Income. The amount lying in Deferred Income is transferred each year to the credit of Statement of Profit and Loss in proportion to the depreciation/amortisation charged on the respective assets in the ratio of the funding to the total sanctioned cost limited to the government grant received.

a) Intangible assets under development

During the year the company has transferred intangible assets under development to intangible assets after completion of the XR5 project.

Annexure No. 7 to the Board's Report

BOARD'S REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:-

- i) BELOP recognises it's role and responsibility as a corporate entity and constantly endeavours to actively participate in the social and economic development of the communities in which it operates through CSR initiatives.
- ii) BELOP is committed to its stakeholders to conduct CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- iii) CSR activities shall include initiatives which aim at achieving sustainable development goals.

2. Composition of CSR Committee:-

Sl. NO.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1	Mr. Manoj Jain (Chairman w.e.f. 04.04.2023)	Chairman	5	5
2	Mr. Bhanu Prakash Srivastava (Chairman and Member upto 3.4.2023)	Chairman	0	0
3	Mr. Manoj Kumar	Member	5	3
4	Mr. Damodar Bhattad (Member w.e.f. 04.04.2023)	Member	5	5

3. Provide the web-link where Composition of CSR Committee, CSR policy and CSR projects approved by The board are disclosed on the website of the company. <https://www.belop-india.in>
4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 Of the Companies (Corporate Social responsibility policy) Rules, 2014, if applicable (attach the report). Not Applicable
5. Details of the amount available for set off in pursuance Of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount Required for set off for the financial year, if any Nil

Sl.NO.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2023-24	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the company as per section 135(5) :- Rs. 8,00,80,162/-
7. (a) Two percent of average net profit of the company as Per section 135(5):- Rs. 16,01,603/-

(b) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years.	Nil
(c) Amount required to be set off for the financial year, if any	Nil
(d) Total CSR obligation for the financial year (7a+7b-7c)	Rs. 16,01,603/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
67541	16,01,603	29.04.2024	-	-	-

(b) Details of CSR amount Spent against ongoing projects for the financial year:-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local area (Yes /No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes /No)	Mode of Implementation through Implementing Agency	
				State	Dist-ri-ct						Name	CSR Registration number
1	Supply of sanitary napkin vending & disposable machine	Promoting health-care	Yes	Maha-rash-tra	Pune	3 yrs	65,741	65,741	0	Yes	Not Applicable	Not Applicable
2	Construction of primary health care sub-centre and supply of essential equipment	Promoting health-care	Yes	Maha-rash-tra	Pune	3 yrs	21,06,391	0	21,06,391	Yes	Not Applicable	Not Applicable
3	Supply of medical equipment	Promoting health-care	Yes	Maha-rash-tra	Pune	3 yrs	6,41,259	0	6,41,259	Yes	Not Applicable	Not Applicable
TOTAL							28,13,391	65,741	27,47,650			

(c) Details of CSR amount spent against other than ongoing projects :- Not Applicable for the financial year

1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SI. NO	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes /No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
NOT APPLICABLE									

(d) Amount spent in Administrative Overheads Nil

(e) Amount spent on Impact Assessment, if applicable Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) Nil

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

SI.NO.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	16,01,603
(ii)	Total amount spent for the financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

SI.NO.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1.	2021-22	65,741	65,741	N.A.	Nil	-	Nil
2.	2022-23	11,46,047	Nil	N.A.	Nil	-	11,46,047
TOTAL		12,11,788	65,741				11,46,047

Note:- There is no unspent amount i.r.o. the years 2020-21. For 2021-22 amount transferred to Unspent CSR Account was Rs. 18,98,955 and amount spent in 2022-23 was Rs. 18,33,214.

(b) Details of CSR amount spent in the financial year for ongoing projects of preceding Financial years(s):-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project -Completed/ Ongoing
1.		Supply of Medical Equipments	2021-22	3 years	6,18,889	65,741	6,18,889	Completed
TOTAL					6,18,889	65,741	6,18,889	

10. In case of creation or acquisition of capital asset, furnish the details:- Not Applicable
relating to the Asset so created or acquired through CSR spent in the financial year(**asset-wise-details**).
- a) Date of creation or acquisition of the capital asset(s). Not Applicable
- b) Amount of CSR spent for creation or acquisition of capital asset. Not Applicable
- c) Details of the entity or public authority or beneficiary under Whose name such capital asset is registered, their address etc. Not Applicable
- d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

It is proposed to construct the primary health care centre in the Village Walad, in Taluka Khed. The final approval from the Zilla Parishad for the same is awaited. The scope of second project for supply of medical equipments is also under finalisation. Both the projects are expected to be completed by March 2025 and the funds would be utilised in 2024-25.

Sd/-
(Chief Executive Officer)

Sd/-
(Chairman CSR Committee)

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
BEL Optronic Devices Limited,
EL 30, J Block, MIDC Bhosari, Pune 411026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BEL Optronic Devices Limited (CIN: U32100PN1990GOI058096)**, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2024** according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the audit period);
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (During the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the audit period);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period);

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client (Not applicable to the Company during the audit period);
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);

vi) As informed to me, no other specific laws were applicable to the Company during the audit period.

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

- i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- ii) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.

I have not examined compliance with the applicable clauses of the following since it is not applicable to the Company during the audit period as the Company is an unlisted Company:

- i) The Listing Agreements entered into by the Company with Stock Exchange(s) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) *The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee which results in non-compliance of Clause 3.1, 4.1.1, 4.1.2, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.*

It is informed that the appointment of Functional, Nominee and Independent Directors is done by the Government of India for all CPSEs which are categorised in the Schedule of CPSEs. The Company has applied for the categorisation with the Ministry of Defence (MoD). The subject application for categorisation is pending with MoD who has directed the holding Company, Bharat Electronics Limited (BEL), to re-examine the proposal. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorisation of the Company.

I further report that, subject to my observations mentioned above, the Board of Directors of the Company is duly constituted. The Company being a wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records provided by the Company, none of the members of the Board or Committees of the Board dissented on any resolution(s) passed at the meetings.

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

I further report that during the audit period –

- a) The Board of directors in its meeting held on 4th April 2023 allotted 87,16,850 equity shares of Rs. 10/- each on Rights basis to Bharat Electronics Limited, the Holding Company, accordingly the paid-up equity share capital has been increased from Rs. 84,50,69,700/- to Rs. 93,22,38,200/-.

Yogesh Kandalgaonkar

Company Secretary

FCS No. 6197, C.P. No. 20316

Unique Document Identification Number

(UDIN): F006197F000793324

Peer Review Certificate Number: 2620/2022

Place: Pune

Date: 22nd July 2024

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To,
The Members,
BEL Optronic Devices Limited,
EL 30, J Block, MIDC Bhosari, Pune 411026

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C.P. No. 20316
Unique Document Identification Number
(UDIN): F006197F000793324
Peer Review Certificate Number: 2620/2022

Place: Pune

Date: 22nd July 2024

Ind AS Financial Statements – 31st March 2024

Ind AS Financial Statements

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements

BALANCE SHEET AS AT MARCH 31, 2024

₹ in Lakhs

Sr. No.	Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	1	8,756	9,654
	(b) Capital work-in-progress	2	646	352
	(c) Other Intangible assets	3	17,292	19,265
	(d) Intangible assets under development	4	-	-
	(e) Financial assets			
	(i) Trade Receivables	5	-	-
	(ii) Loans	6	-	-
	(iii) Other Financial Assets	7	455	128
	(f) Deferred Tax Assets (net)	21	-	-
	(g) Inventories	8	-	-
	(h) Other Non-Current Assets	9	76	69
	Sub Total Non-Current Assets ((a) to (h))		27,225	29,468
(2)	Current Assets			
	(a) Inventories	10	4,249	3,752
	(b) Financial Assets			
	(i) Trade Receivables	11	3,659	938
	(ii) Cash and Cash equivalents	12	3,720	5,969
	(iii) Bank Balances (other than (ii) above)	13	17	307
	(iv) Other Financial Assets	14	5	37
	(c) Current Tax Assets (Net)	15	-	102
	(d) Other Current Assets	16	245	121
	Sub Total Current Assets ((a) to (d))		11,895	11,226
	TOTAL ASSETS		39,120	40,694

Sr. No.	Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	17	9,322	8,451
	(b) Other Equity		19,280	18,670
	Sub Total Equity ((a) + (b))		28,602	27,121
	LIABILITIES			
(1)	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	-
	(b) Government Grants-deferred	19	6,067	7,376
	(c) Provisions	20	613	563
	(d) Deferred Tax Liabilities (net)	21	547	289
	Sub Total Non-Current Liabilities ((a) to (d))		7,227	8,228
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	22	-	-
	(ii) Trade Payables	24		
	A) Total Outstanding Dues of Micro Enterprises and Small Enterprises		89	41
	B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		1,092	1,016
	(iii) Other Financial Liabilities	25	143	1,700
	(b) Government Grants-deferred	23	1,327	1,329
	(c) Other Current Liabilities	26	59	830
	(d) Provisions	27	553	429
	(e) Current Tax Liability (Net)	28	28	-
	Sub Total Current Liabilities ((a) to (e))		3,291	5,345
	Sub Total Liabilities (1+2)		10,518	13,573
	TOTAL EQUITY AND LIABILITIES		39,120	40,694

Material Accounting Policies and Accompanying Notes form an integral part of the Financial Statements.

As per our report attached
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.107816 W/W 100222

Sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

Sd/-
MANOJ JAIN
Director

Sd/-
DAMODAR BHATTAD
Director

AJINKYA RANADIVE
Partner
MEM. NO. 148962
Place : Pune
Date: 15th May 2024

Sd/-
ASHOK K S
Chief Executive Officer
Place: Bengaluru
Date: 15th May 2024

Sd/-
PRIYA S. IYER
Company Secretary & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024

₹ in Lakhs

Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
I	Revenue from operations	29	13,974	7,837
II	Other income	30	253	287
III	Total Income (I+II)		14,227	8,124
IV	Expenses			
	(a) Cost of materials consumed	31	6,329	2,506
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(271)	64
	(c) Employee benefit expense	33	1,824	1,561
	(d) Finance costs	34	12	16
	(e) Depreciation and amortisation expense	35	3,043	1,997
	(f) Technical Assistance Fee	36	-	413
	(g) Other expenses	37	966	653
	Total expenses (IV) ((a) to (g))		11,903	7,210
V	Profit before exceptional items and tax (III -IV)		2,324	914
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		2,324	914
VIII	Tax expense:			
	(i) Current tax		-	-
	(ii) Current tax (MAT for the Year)		404	94
	(iii) Earlier Year Taxes		3	-
	(iv) Deferred tax (Including MAT Credit Entitlement)		258	144
	Total Tax Expenses (i+ii+iii+iv)		665	238
IX	Profit for the year (VII-VIII)		1,659	676

Sr. No.	Particulars	Note No.	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
(X)	Other Comprehensive Income			
(A)	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		33	28
	(ii) Income tax effect on the above		(9)	(8)
(B)	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of taxes (A + B)		24	20
(XI)	Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,683	696
(XII)	Earning per equity share			
	(1) Basic	38(1)	1.78	0.80
	(2) Diluted		1.78	0.80

Material Accounting Policies and Accompanying Notes form an integral part of the Financial Statements.

As per our report attached
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.107816 W/W 100222

Sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

Sd/-
MANOJ JAIN
Director

Sd/-
DAMODAR BHATTAD
Director

AJINKYA RANADIVE
Partner
MEM. NO. 148962

Sd/-
ASHOK K S
Chief Executive Officer

Sd/-
PRIYA S. IYER
Company Secretary & CFO

Place : Pune
Date: 15th May 2024

Place: Bengaluru
Date: 15th May 2024

STATEMENT OF CASH FLOW FOR THE PERIOD 01.04.2023 TO 31.03.2024

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Cash Flow From Operating Activities		
Profit before tax	2,324	914
Adjustments for :		
Depreciation & amortisation expense	3,043	1,997
Interest Income	(178)	(167)
Finance costs	12	16
Amortisation of government grants-deferred	(1,321)	(1,315)
Remeasurements of the defined benefit plans	33	28
Change In Operating Assets And Liabilities		
(Increase) /decrease in trade receivables	(2,721)	(841)
(Increase) /decrease in inventories	(496)	(324)
Increase /(decrease) in trade payables	123	798
Increase /(decrease) in other financial liabilities	(1,557)	1,555
(Increase)/ decrease in other financial assets	(297)	-
(Increase) /decrease in other non current assets	(7)	528
(Increase) /decrease in other current assets	(124)	43
Increase /(decrease) in provisions	173	(334)
Increase/(decrease) in other current liabilities	(772)	397
Cash flow from/ (used) in operations	(1,765)	3,295
Income taxes paid	(302)	(292)
Cash Flow Before Exceptional Items	(2,067)	3,003
Exceptional Items	-	-
Net Cash flow from /(used) in operating activities: (A)	(2,067)	3,003
Cash Flow From Investing Activities:		
Purchase of Property, Plant and Equipment and other Intangibles Assets	(466)	(2,634)
Intangibles Assets under Development	-	-
Investment in Term Deposits	290	(29)
Interest received	178	167
Net cash inflow from/ (used) in from investing activities (B)	2	(2,496)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Cash Flow From Financing Activities		
Grant Received	10	14
Proceeds/(Repayment) from borrowings- Term Loan	-	-
Finance Costs	(12)	(16)
Dividend Paid	(182)	(186)
Share Application money pending for allotment	-	2,199
Net cash inflow from/(used) in financing activities (C)	(184)	2,011
Net Increase/(Decrease) In Cash And Cash Equivalents ((A)+(B)+(C))	(2,249)	2,518
Cash and Cash Equivalents at the beginning of the year	5,969	3,451
Cash and cash equivalents at the end of the year	3,720	5,969
<i>Reconciliation of cash and cash equivalents as per Cash flow statement</i>		
Reconciliation of cash and cash equivalents as per above comprise of following:		
Cash and cash equivalents (Note 12)	3,720	5,969
Balance as per statement of cash flows	3,720	5,969

Material Accounting Policies and Accompanying Notes form an integral part of the Financial Statements.

As per our report attached
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.107816 W/W 100222

Sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

Sd/-
MANOJ JAIN
Director

Sd/-
DAMODAR BHATTAD
Director

AJINKYA RANADIVE
Partner
MEM. NO. 148962

Sd/-
ASHOK K S
Chief Executive Officer

Sd/-
PRIYA S. IYER
Company Secretary & CFO

Place : Pune
Date: 15th May 2024

Place: Bengaluru
Date: 15th May 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A. Equity share capital

₹ in Lakhs

Balance as on 01.04.2023		Note No	Changes in Equity Share Capital due to prior period errors		Restated balance at the beginning of the current reporting period		Changes in equity share capital during the current year		Balance as on 31.03.2024	
No. of Shares	Amount		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
8,45,06,970	8,451	17	-	-	8,45,06,970	8,451	87,16,850	871	9,32,23,820	9,322

Balance as on 01.04.2022		Note No	Changes in Equity Share Capital due to prior period errors		Restated balance at the beginning of the current reporting period		Changes in equity share capital during the current year		Balance as on 31.03.2023	
No. of Shares	Amount		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
8,45,06,970	8,451	17	-	-	8,45,06,970	8,451	-	-	8,45,06,970	8,451

B. OTHER EQUITY

As at 31st March, 2024

₹ in Lakhs

Particulars	Note No	Share Application Money Pending Allotment	Reserves and Surplus		Items of Other Comprehensive Income	Other Reserves	Total Equity
			Securities Premium	Retained Earnings			
Balance as on 1 st April 2023		2,199	8,971	7,696	(423)	227	18,670
Share Application Money Pending Allotment		(2,199)	-	-	-	-	(2,199)
Equity Shares Subscribed and allotted during the year		-	1,329	-	-	-	1,329
Profit for the year		-	-	1,659	-	-	1,659
Other comprehensive income for the year (net of tax)		-	-	-	24	-	24
Capital Contribution on account of below market rate borrowings		-	-	-	-	-	-
Balance as at 31 st March 2024		-	10,300	9,355	(399)	227	19,483
Dividends	17	-	-	(203)	-	-	(203)
Balance as at 31st March 2024		-	10,300	9,152	(399)	227	19,280

As at 31st March, 2023

₹ in Lakhs

Particulars	Note No	Share Application Money Pending Allotment	Reserves and Surplus		Items of Other Comprehensive Income	Other Reserves	Total Equity
			Securities Premium	Retained Earnings			
Balance as on 1 st April 2022		-	8,971	7,226	(443)	227	15,981
Share Application Money Pending Allotment		2,199	-	-	-	-	2,199
Issue of Equity Shares during the year		-	-	-	-	-	-
Profit for the year		-	-	676	-	-	676
Other comprehensive income for the year (net of tax)		-	-	-	20	-	20
Capital Contribution on account of below market rate borrowings		-	-	-	-	-	-
Balance as at 31st March 2023		2,199	8,971	7,902	(423)	227	18,876
Dividends	17	-	-	(206)	-	-	(206)
Balance as at 31st March 2023		2,199	8,971	7,696	(423)	227	18,670

1. The Securities Premium would be utilised as mandated under the Companies Act, 2013.

2. The Retained Earnings are Free Reserves of the Company.

Material Accounting Policies and Accompanying Notes form an integral part of the Financial Statements.

As per our report attached
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.107816 W/W 100222

Sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

Sd/-
MANOJ JAIN
Director

Sd/-
DAMODAR BHATTAD
Director

AJINKYA RANADIVE
Partner
MEM. NO. 148962

Sd/-
ASHOK K S
Chief Executive Officer

Sd/-
PRIYA S. IYER
Company Secretary & CFO

Place : Pune
Date: 15th May 2024

Place: Bengaluru
Date: 15th May 2024

NOTE 1: PROPERTY, PLANT AND EQUIPMENT YEAR ENDED 31ST MARCH 2024

₹ in Lakhs

Particulars	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Value	
	As at 1 st April 2023	Additions / Adjustments	Deduction / Re-classification & Adjustments	As at 31 st March, 2024	As at 1 st April 2023	Charge for the year	Deduction / Re-classification & Adjustments	As at 31 st March, 2024	As at 31 st March, 2023
OWNED ASSETS									
Buildings	480	-	-	480	234	30	-	264	246
Plant & Machinery	15,103	157	-	15,260	5,800	1,018	-	6,818	9,303
Office Equipment	31	2	-	33	23	2	-	25	8
Electrical installation	138	-	-	138	92	8	-	100	46
Furniture & Fixtures	61	11	-	72	42	5	-	47	19
Computer Systems	59	2	-	61	44	7	-	51	15
RIGHT OF USE ASSETS									
Leasehold Land	18	-	-	18	1	-	-	1	17
Total	15,890	172	-	16,062	6,236	1,070	-	7,306	9,654

PROPERTY, PLANT AND EQUIPMENT YEAR ENDED 31ST MARCH 2023

₹ in Lakhs

Particulars	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Value	
	As at 1 st April 2022	Additions / Adjustments	Deduction / Re-classification & Adjustments	As at 31 st March, 2023	As at 1 st April 2022	Charge for the year	Deduction / Re-classification & Adjustments	As at 31 st March, 2023	As at 31 st March, 2022
OWNED ASSETS									
Buildings	480	-	-	480	204	30	-	234	276
Plant & Machinery	9,964	5,139	-	15,103	5,112	688	-	5,800	4,852
Office Equipment	31	-	-	31	20	3	-	23	11
Electrical installation	130	8	-	138	80	12	-	92	50
Furniture & Fixtures	61	-	-	61	36	6	-	42	25
Computer Systems	49	10	-	59	39	5	-	44	10
RIGHT OF USE ASSETS									
Leasehold Land	18	-	-	18	1	-	-	1	17
Total	10,733	5,157	-	15,890	5,492	744	-	6,236	5,241

1. Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 33/- Lakhs (Previous Year ₹ 33/- Lakhs) which is funded out of grant under TPDUP Project.
2. Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 5611/- Lakhs (Previous Year ₹ 5,611/- Lakhs) which is funded out of grant received for implementation of Transfer of Technology for XD- 4 I.I.Tubes.
3. Depreciation on Plant and Machinery of ₹ 1018/- Lakhs includes depreciation on ToT equipments (XD-4) of ₹ 516/- Lakhs for current year. Depreciation on Plant and Machinery of ₹ 688/- Lakhs includes depreciation on ToT equipments (XD-4) of ₹ 520/- Lakhs wrt previous year
4. Depreciation is provided on Straight Line Method (SLM) in accordance with Schedule II of Companies Act 2013.
5. 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 (continuous process plant) are supported by the ToT provider for a period of 15 years.
It is ascertained on the basis of Technical Assessment by the Management that the Linear Transfer Lines would be used for a period of 15 Years.
6. Additional Depreciation of 50 % and 100% has been charged on Plant & Machinery items in respect of double shift working and triple shift working respectively.
7. The Company has acquired 13680 square meter of land on lease from MIDC for 95 years at a cost of ₹ 21/- Lakhs on 25.11.1991 with renewable option of further 95 years on new terms and conditions.
Cost of leasehold land capitalised is ₹ 23/- Lakhs & Gross Carrying Amount is ₹ 18/- Lakhs. Lease agreement is duly executed in favour of the Company.
8. Depreciation on Lease Hold Land is ₹ 24,569/- wrt Current year & ₹ 24,614/- wrt previous year which is rounded off
9. Refer Note No 40 for Hypothecation Note.
10. Gross Carrying Value and Accumulated Depreciation includes ₹ 2024/- pertaining to assets not in active use is rounded off, disposal of which is pending.

NOTE 2 - CAPITAL WORK IN PROGRESS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1. Civil Construction		
Opening balance	311	64
Add: Addition during the year	156	247
Less: Amount capitalised during the year	-	-
Total (1)	467	311
2. Plant and machinery		
Opening balance	41	5,087
Add: Addition during the year	308	38
Less: Amount capitalised during the year	170	5,084
Total (2)	179	41
GRANT TOTAL	646	352

CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

As at 31st March, 2024

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
AHU Building Construction	157	247	64	-	468
AHU Project	129	38	-	-	167
Others	8	-	-	3	11
Projects temporarily suspended	-	-	-	-	-
TOTAL	294	285	64	3	646

As at 31st March, 2023

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
AHU Building Construction	247	64	-	-	311
AHU Project	38	-	-	-	38
Others	-	-	-	3	3
Projects temporarily suspended					
TOTAL	285	64	-	3	352

NOTE 3 - INTANGIBLE ASSETS FOR THE YEAR ENDED 31st MARCH 2024.

₹ in Lakhs

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Value		
	As at 1 st April 2023	Additions / Adjustments	Deduction / Re-classification & Adjustments	As at 31 st March, 2024	As at 1 st April 2023	For the year	Deduction / Re-classification & Adjustments	As at 31 st March, 2024	As at 31 st March, 2023
License Fee (XD-4)	18,424	-	-	18,424	10,000	1,250	-	11,250	8,424
License Fee (XR-5)	10,842	-	-	10,842	2	723	-	725	10,840
Computer Operating System	3	-	-	3	2	-	-	2	1
Total	29,269	-	-	29,269	10,004	1,973	-	11,977	19,265
Previous Year	18,427	10,842	-	29,269	8,751	1,253	-	10,004	9,676

1. Intangible Assets (Gross Carrying amount) includes ₹ 13,689/- Lakhs (Previous Year ₹ 13,689/- Lakhs) which is funded out of grant received for implementation of Transfer of Technology (ToT) XD-4.
2. Amortisation is calculated on straight -line basis over the estimated useful lives of asset.
3. Amortisation of Computer Operating System is ₹ 36129/- wrt current year & ₹ 36,130/- previous year is Rounded off

NOTE 4 - INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
TOT (XR-5)		
Opening balance	-	8,565
Add: Addition during the year	-	2,105
Less: Amount capitalised during the year	-	10,670
Total	-	-

INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULEAs at 31st March, 2024

₹ in Lakhs

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2023

₹ in Lakhs

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

NOTE 5 - TRADE RECEIVABLES- NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade Receivable Considered Good -Secured	-	-
Trade Receivable Considered Good -Unsecured	-	-
Trade Receivable having Significant Increase in Credit Risk	-	-
Trade Receivable , Credit Impaired		
1. From Related Party	145	143
Less: Provision for doubtful debts	145	143
Sub Total (1)	-	-
2.From Others	6	-
Less: Provision for doubtful debts	6	-
Sub Total (2)	-	-
Total	-	-

Trade Receivable from others include ₹ 37190/- w.r.t. previous year is rounded off

THE MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL RECEIVABLES IS PRESENTED AS FOLLOWS:

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balance at the beginning of the year	143	140
Expected Credit loss provision during the year	8	3
Written off during the year	-	-
Credited to Profit or Loss	-	-
Balance at the end of the year	151	143

Refer Note No 40 for Related Party Disclosure.

TRADE RECEIVABLES AGEING - NON-CURRENT

As at 31st March, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	9	2	-	140	151
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at 31st March, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	1	2	-	-	140	143
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE 6 - LOANS- NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loans- Non Current	-	-
Total	-	-

NOTE 7 - OTHER FINANCIAL ASSETS- NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security Deposits		
- Considered Good, Secured	-	-
- Considered Good, Unsecured		
Deposits with MSEB	40	31
Deposits for water supply	1	1
Other deposits	5	4
- Significant Increase in Credit Risk		
Credit Impaired	-	-
Term deposits with more than 12 months maturity	393	87
Interest Accrued on term Deposits	16	5
Total	455	128

1. Refer Note No. 39 for fair value measurements

NOTE 8 - INVENTORIES- NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Inventories		
Raw materials	50	41
Less: Provision for Non-Moving Stock	10	1
Less: Provision for obsolescence	40	40
Total	-	-

NOTE 9 - OTHER NON CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
Capital Advances		-		2
Prepaid Expenses		19		10
Advances to suppliers				
Unsecured considered doubtful	22		22	
Less: Provision for doubtful advances	22	-	22	-
Deposits				
Deposit with Excise Authorities	-		-	
Deposit with Court (Octroi)	14		14	
Deposit for Octroi	23		23	
Deposit with Service tax authorities	20	57	20	57
Total		76		69

1. Deposit with Excise Authorities of ₹ 1000/- wrt current year & previous year is rounded off

NOTE 10 - INVENTORIES - CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Raw materials*	889		619
Goods In Transit (RMC)	104		229	
Stores & consumables*	198		139	
Work- in- Progress	2,615	3,806	2,344	3,331
Machinery spares		443		421
Total		4,249		3,752

Notes

- *Raw material and Stores & consumables include ₹ 24 Lakhs (Previous year ₹ 33) being material with sub-contractors.
- *Raw material and Stores & consumables include ₹ Nil (Previous year ₹ 5) related to BRNS Project.
- Work -in Progress include ₹ 16 Lakhs (Previous year Nil) related to BRNS Project.
- The assets which are received / retained by the company on behalf of the customer do not form part of the inventory.

NOTE 11 - TRADE RECEIVABLES - CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Trade Receivables Considered Good, Secured		-	
Trade Receivables Considered Good, Unsecured				
- From related party		1,196		66
- From others		2,463		872
Trade Receivable having Significant Increase in Credit Risk		-		-
Trade Receivable , Credit Impaired		-		-
Total		3,659		938

- Refer Note No. 39 for fair value measurements & Classification of Financial Instruments.
- Refer Note No 40 for Related Party Disclosure & for Security Hypothecation.
- Satisfaction of performance obligation viz-a-viz payment**

Payment Terms :

- Contracts from Government/Government Departments, PSU's
Typically payments are made in either of the following terms :-
 - 90% within seven days and 10% after inspection and acceptance.
 - 30 days credit from date of supply.
 - 15% Advance Payment alongwith release of order, 35% after procurement of bulk materials, 35% after completion of bulk assembly and fabricated parts, 10% against proof of despatch, 5% after completion of inspection within sixty days of receipt of stores.
 - 30% Advance payments, balance after Supply of Materials

- b. 1. Contracts with private customers :- Advance payment before despatch of goods.
2. Milestone Based Payment.
- c. Advance received from customer are classified as contract liability and Progressively adjusted on completion of performance obligation .Balance amount receivable after adjusting advance is classified as Trade Receivable.

TRADE RECEIVABLES AGEING - CURRENTAs at 31st March, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,653	-	6	-	-	3,659
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Outstanding of ₹ 10,996/- pertaining to period 6 months to 1 year is rounded off

As at 31st March, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	938	-	-	-	-	938
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE 12- CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1. Cash and cash equivalents		
a. Balances with banks		
In current accounts	319	9
In cash credit account	1,321	250
In term deposits (Original Maturity upto 3 months)	2,080	5,710
b. Cash and Stamps on Hand	-	-
Total	3,720	5,969

- The cash and cash equivalents includes term deposits with original maturity period up to three months. Term deposits with original maturity period beyond three months but up to maturity period of 12 months have been included in Bank Balances in Note No. 13
- Cash and Stamps on Hand includes ₹180/- stamps in hand wrt current year is rounded off. (Previous Year ₹ 60)
- Term Deposit includes ₹ 9 Lakhs (Previous Year ₹ 8 Lakhs) out of Grant received towards BRNS Project.

Refer Note No. 39 for fair value measurements

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances with Banks	3,720	5,969
Cash and stamp on hand	-	-
Total	3,720	5,969

Cash and Stamps on Hand includes ₹180/- stamps in hand wrt current year is rounded off. (Previous Year ₹ 60/-)

NOTE 13- BANK BALANCES

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
In Term deposit (Original Maturity of more than 3 months and less than 12 months)	17	307
Total	17	307

- Term Deposit with Original Maturity period of more than 12 months is shown under Note No. 7
- Term Deposit with Original Maturity period of Upto 3 months is shown under Note No. 12.
- For an understanding of the Company's cash management policies, refer liquidity risk note No. 39 (vi)
- Refer Note No. 39 for fair value measurements

NOTE 14- OTHER FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Interest accrued on Term deposit	4	33
Other Receivables	1	1
Stipend receivables (trainees)	-	3
Total	5	37

Stipend receivables (Trainees) includes ₹ 35,880/- wrt current year is rounded off. (Previous Year Nil)

Refer Note No. 39 for fair value measurements

NOTE 15 - CURRENT TAX ASSETS (NET)

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advance Payment of Income Tax	-	102
Total	-	102

NOTE 16 - OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
Prepaid expenses		18		18
Advance to suppliers		11		17
Travel advance		-		1
Balance with revenue authorities				
FBT refund due		-		-
GST input tax credit	173		85	
GST TDS	41		-	
Prepaid GST	2	216		85
Total		245		121

1. FBT refund due of ₹ 45,928/- wrt current year & previous year is Rounded off.
2. GST TDS includes ₹ 36,812 wrt previous year is Rounded off

NOTE 17 - EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised Capital: 10,00,00,000/- (Previous period 10,00,00,000/-) equity shares of ₹ 10/- each	10,000	10,000
*Issued Capital: 9,32,23,820 (Previous period 8,45,06,970) equity shares of ₹ 10/- each	9,322	9,322
Subscribed and Paid - up Capital: 9,32,23,820 (Previous period 8,45,06,970) equity shares of ₹ 10/- each fully paid up	9,322	8,451

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	As at 31 st March, 2024		As at 31 st March, 2023	
No of equity shares outstanding at the beginning of the year	8,45,06,970	8,451	8,45,06,970	8,451
Add: Additional equity shares Subscribed during the year	87,16,850	871	-	-
Less: Equity Shares forfeited/Bought back during the year	-	-	-	-
No of equity shares outstanding at the end of the year	9,32,23,820	9,322	8,45,06,970	8,451

Notes:

- Out of the above, 9,32,23,820 Equity Shares of ₹ 10/- each (Previous Year 8,45,06,970) are held by Bharat Electronics Ltd (BEL) the Holding Company, and it's nominees. BELOP is a wholly owned subsidiary of BEL with effect from 30th July 2015.
- Details of the Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	2023-24		2022-23	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Equity Shares:				
Bharat Electronics Limited	9,32,23,820	100	8,45,06,970	100

- Details of the Number of shares held by promoters in the company are as follows:

As at 31st March, 2024

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Bharat Electronics Limited	9,32,23,820	100	-

As at 31st March, 2023

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Bharat Electronics Limited	8,45,06,970	100	-

Terms, Rights, preferences and restrictions attaching to each class of shares

- The Company has only one class of shares viz, Equity Shares.
- Each holder of Equity Shares is entitled to one vote on show of hands and in poll in proportion to the Number of shares held.
- Each Shareholder has a right to receive the dividend declared by the Company.
- On winding up of the Company, the equity shareholders will be entitled to get the realised value of the remaining assets of the Company, if any, after distribution of all preferential amounts as per law. The distribution will be in proportion to the number of equity shares held by the shareholders.

FINAL DIVIDEND

₹ in Lakhs

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Final Dividend for FY 2022-23 & FY 2021-22	203	206

NOTE 18- BORROWINGS - NON-CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Term Loan	-	-
Total	-	-

NOTE 19 - GOVERNMENTS GRANTS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
TOT (XD-4) Project	6,067	7,376
Total	6,067	7,376

Refer Note No. 40 (6) for Government Grants

NOTE 20 - PROVISIONS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Long-term compensated absences	613	563
Total	613	563

The movement in the provisions during the year is as follows.

₹ in Lakhs

Particulars	As at 01.04.2023	Additions	Utilisation	As at 31.03.2024	
				Long-term	Short-term
Long-term compensated absences	578	154	100	613	19
Total	578	154	100	613	19

NOTE-21**i) DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

₹ in Lakhs

Nature of timing difference	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Liabilities	1,907	1,312
Deferred Tax Assets	1,360	1,023
Total	547	289

ii) Amount Recognised in Statement of Profit & Loss

₹ in Lakhs

Particulars	31 st March, 2024	31 st March, 2023
Income Tax Expenses		
Current Tax	-	-
Current Tax (MAT)	404	94
Add : Deferred Tax	258	144
Add: Earlier Year Taxes	3	-
Income Tax Expenses	665	238

Earlier Year taxes includes ₹ 37,537/- for previous year is rounded off.

iii) Income Tax recognised in other comprehensive income

₹ in Lakhs

Particulars	31.03.2024			31.03.2023		
	Before Tax	Tax (expense) benefit	Net of Tax	Before Tax	Tax (expense) benefit	Net of Tax
Remeasurement (losses)/gains on post employment defined benefit plans	33	(9)	24	28	(8)	20
Total	33	(9)	24	28	(8)	20

NOTE NO. 21
DEFERRED TAX LIABILITY (NET)

iv) Deferred Tax Assets and Liabilities are attributable to the following:

₹ in Lakhs

Particulars	Deferred Tax (Assets)		Deferred Tax Liability		Net Deferred Tax (Assets) /Liability	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Trade Receivables-Provision	(39)	(39)	-	-	(39)	(39)
Provision others	(56)	(56)	-	-	(56)	(56)
Employee Benefits	(176)	(161)	-	-	(176)	(161)
Intangible Assets	-	-	1,255	853	1,255	853
Trade Payables	(6)	(6)	-	-	(6)	(6)
Plant Property and Equipment	-	-	652	459	652	459
Bonus	-	-	-	-	-	-
Super Annuation	-	-	-	-	-	-
Inventory	(14)	(12)	-	-	(14)	(12)
Income Tax Loss	(281)	(375)	-	-	(281)	(375)
MAT Credit	(788)	(374)	-	-	(788)	(374)
Total	(1,360)	(1,023)	1,907	1,312	547	289

v) Movement of Deferred Tax Assets & Liabilities

₹ in Lakhs

Particulars	Balance as on 01.04.2023	Recognised in P&L during 2023-24	Recognised in OCI during 2023-24	Balance as on 31.03.2024
Trade Receivables-Provision	(39)	-	-	(39)
Provision others	(56)	-	-	(56)
Employee Benefits	(161)	(15)	-	(176)
Intangible Assets	853	402	-	1,255
Trade Payables	(6)	-	-	(6)
Plant Property and Equipment	459	193	-	652
Bonus	-	-	-	-
Super Annuation	-	-	-	-
Inventory	(12)	(2)	-	(14)
Tax Loss	(375)	94	-	(281)
MAT Credit	(374)	(414)	-	(788)
Total	289	258	-	547

₹ in Lakhs

2023-24				
vi) Reconciliation of Effective Tax rate				
	Particulars	Amount (₹)	Tax Effect (₹)	Tax Rate
I	Tax at Normal Rate			
1	Book profit	2,324		
2	Tax rate @29.12%		677	29.12
	Tax Provision expenses as per Books			
3	Tax Provision for Current Year (MAT)		404	
4	Add: Deferred Tax		258	
5	Earlier Year Taxes		3	
6	Net Provision for Taxes		665	
	Difference (2-6)		12	0.52%
	Effect of			
	Other Expenses		12	0.52%
	Total		12	0.52%

₹ in Lakhs

2022-23				
vi) Reconciliation of Effective Tax rate				
	Particulars	Amount (₹)	Tax Effect (₹)	Tax Rate
I	Tax at Normal Rate			
1	Book profit	914		
2	Tax rate @27.82%		254	27.82
	Tax Provision expenses as per Books			
3	Tax Provision for Current Year		94	
4	Less: Deferred Tax		144	
5	Earlier Year Taxes		-	
6	Net Provision for Taxes		238	
	Difference (2-6)		16	1.75%
	Effect of			
	Non deductible Expenses		16	1.75%
	Total		16	1.75%

vii) There are no items on which deferred Tax has not been created.

NOTE 22 - BORROWINGS - CURRENT

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loan	-	-
Total	-	-

Refer Note No. 39 for fair value measurements.

NOTE 23 - GOVERNMENTS GRANTS

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
TOT (XD-4) Project	1,312	1,315
BRNS Project	15	14
Total	1,327	1,329

Refer Note No. 40 (6) for Government Grants

NOTE 24- TRADE PAYABLES

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(1) Dues to micro and small enterprises	89	41
(2) Dues to creditors other than micro and small enterprises	1,092	1,016
Total (1+2)	1,181	1,057

i) Micro and Small Enterprises (MSE)

The information under MSMED Act, 2006 has been disclosed to the extent such vendors have been identified by the company during the year. The details of amounts outstanding to them based on available information with the Company is as under :

Particulars	2023-24	2022-23
Amount due and Payable at the year end		
- Principal	-	-
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	-	-

- ii) Interest Due and payable for principals already paid ₹ 22111 /- for current and previous year is Rounded off
- iii) The information is given in respect of such suppliers to the extent they could be indentified as a Micro & Small Enterprises on the basis of information available with the Company.
- iv) Refer Note No. 39 for fair value measurements

TRADE PAYABLES AGEINGAs at 31st March, 2024

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	89	-	-	-	89
(ii) Others	1,033	59	-	-	1,092
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31st March, 2023

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	40	-	-	1	41
(ii) Others	1,012	1	-	3	1,016
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

- Outstanding amount due to MSME includes following:
 - Outstanding for 1-2 years include ₹ 26,622/- is rounded off
 - Outstanding for more than 3 years include ₹ 15,662/- is rounded off
- Outstanding amount due to others for 1-2 years includes ₹ 16,397/- is rounded off

NOTE 25 - OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Capital Creditors	22	1,599
EMD Deposits	3	3
Security Deposits	38	44
Outstanding Liabilities	80	54
Interest Payable to MSME	-	-
Total	143	1,700

Interest Payable to MSME of ₹ 22,111/- wrt current & previous year is Rounded off

Refer Note No. 39 for fair value measurements

NOTE 26 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Movement of Contract Liabilities			
Advances from Customers		2		558
Statutory Dues Payable				
TDS Payable	34		225	
GST Payable	-		26	
Other Statutory Dues Payable	23	57	21	272
Total		59		830

2. MOVEMENT OF CONTRACT LIABILITIES.

₹ in Lakhs

Particulars	2023-24	2022-23
Opening Balance (A)	558	394
Receipt of advance from Customer during the year	843	985
Total (B)	843	985
Contract liability adjusted against- Revenue recognised during the year out of Opening balance	556	23
Contract liability adjusted against- Revenue recognised during the year out of Advance received in Current Year	843	798
Total (C)	1,399	821
Grand Total (Closing Balance) D = (A+B-C)	2	558

NOTE 27 - PROVISIONS

₹ in Lakhs

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Provision for Performance Warranty		198	
Provisions towards employee benefits				
Long-term compensated absences	19		15	
Gratuity	15		23	
Annual incentive	298		168	
Provision for Bonus	1		1	
Superannuation	22	355	20	227
Total		553		429

MOVEMENT OF PROVISIONS FOR THE YEAR 2023-24**I) Provision for Performance Warranty**

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Carrying Amount at the beginning of the year	202	534
Add: Additional Provision made during the year	-	30
Less : Amounts Used during the year	4	9
Less : Unused amounts reversed during the year	-	353
Carrying Amounts at the end of the year	198	202

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

1) Warranty Provision:

Costs are accrued at the time of sale of products. Provisions towards warranty is based on the past experience. The provision is discharged over the warranty period of 12/24/48 months from the date of sale.

II) PROVISIONS TOWARDS EMPLOYEE BENEFIT

₹ in Lakhs

Particulars	Superannuation	Annual Incentive	Provision for Bonus
Carrying Amount at the beginning of the year 01.04.2023	20	168	1
Add: Additional Provision made during the year 2023-24	22	172	1
Less : Amounts Used during the year 2023-24	20	42	1
Less : Unused amounts reversed during the year 2023-24	-	-	-
Carrying Amounts at the end of the year 31.03.2024	22	298	1

Bonus Provision towards of ₹ 740/- has been written back during the year is rounded off

₹ in Lakhs

Particulars	Superannuation	Annual Incentive	Provision for Bonus
Carrying Amount at the beginning of the year 01.04.2022	80	141	2
Add: Additional Provision made during the year 2022-23	20	60	1
Less : Amounts Used during the year 2022-23	80	27	2
Less : Unused amounts reversed during the year 2022-23	-	6	-
Carrying Amounts at the end of the year 31.03.2023	20	168	1

Bonus Provision towards Executives of ₹ 429/- has been written back during the year is rounded off

NOTE 28 - CURRENT TAX LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for income tax (Net of advance tax)	22	-
Interest on Income Tax	6	-
Total	28	-

NOTE 29 - REVENUE FROM OPERATION

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
(a) Sale of products	12,484		5,947	
(b) Sale of services	161		151	
Total Revenue from contracts with customer		12,645		6,098
(c) Other Operating Revenue				
(i) Sale of Manufacturing Scrap	-		-	
(ii) Government Grant	1,321		1,315	
(iii) Excess Provision Written Back				
-Warranty for Replacement	-		353	
-Obsolescence Inventory	-		6	
-Sundry Creditors	-		65	
-Others	-		-	
(iv) Miscellaneous	8	-	-	-
Total Other Operating Revenue		1,329		1,739
Total Revenue (a+b+c)		13,974		7,837

- 1) Provision Written Back - Others includes ₹ 740/- Excess provision written back for bonus & ₹ 8731/- towards Income during the year is rounded off.
- 2) Provision Witten Back- Others include ₹ 33280/- provision for doubtful advance written back during the previous year is rounded off.
- 3) Government Grants includes ₹ 25658/- for BRNS project in previous year is rounded off

i) Break up of revenue recognised against contracts with customers for 2023-24

₹ in Lakhs

Particulars	Government of India /PSU				Others	Total
	Defence	Non-Defence	Domestic	Exports	Offset Business	
Sale of Product	8,455	538	789	2,702	-	12,484
Income from Services	150	-	11	-	-	161
Total	8,605	538	800	2,702	-	12,645

i) Break up of revenue recognised against contracts with customers for 2022-23

₹ in Lakhs

Particulars	Government of India /PSU				Others	Total
	Defence	Non-Defence	Domestic	Exports	Offset Business	
Sale of Product	2,998	-	1,237	1,712	-	5,947
Income from Services	141	10	-	-	-	151
Total	3,139	10	1,237	1,712	-	6,098

ii) Reconciliation of Revenue Recognised in Statement of Profit and Loss with contract Price for 2023-24.

₹ in Lakhs

Particulars	Amount	Amount
Revenue as per Statement of P&L Account		
Sale from Products	12,484	
Income from services	161	
Total (a)		12,645
Adjustments(b)		-
Contract price (a-b)		12,645

ii) Reconciliation of Revenue Recognised in Statement of Profit and Loss with contract Price for 2022-23.

₹ in Lakhs

Particulars	Amount	Amount
Revenue as per Statement of P&L Account		
Sale from Products	5,947	
Income from services	151	
Total (a)		6,098
Adjustments (b)		-
Contract price (a-b)		6,098

iii Satisfaction of Performance Obligation

- In majority of the contract performance obligation is satisfied "at a point in time" which is primarily determined on customer obtaining control of the asset. One of the prime indicator considered for this is transfer of significant risk and rewards to the customer based on Inco terms.
- Company's Contract normally do not contain significant financial component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.
- The company's turnover mainly includes supply of Image Intensifier Tubes.
- Contract entered into with customer, typically do not have a return/refund clause.
- Warranties provided are primarily in the nature of performance warranty.
- For revenue recognition in respect of performance obligation satisfied at a "point in time" the following criteria is used for determining whether customer has obtained "Control on asset"

- Terms of delivery as per the contract
 - Customer has legal title to the asset
 - The entity has transferred physical possession of the asset
 - Customer has accepted the asset
 - Entity has the present right to payment for the asset
- g. Transaction price is typically determined based on contract entered into with customer.
- h. No non-cash consideration are received/given during the current/previous year.

NOTE 30 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest on term deposits	174	166
Interest others	-	1
Interest on Income Tax Refund	4	-
Net gain on foreign currency transaction and translation (net) @	63	89
Miscellaneous income	6	29
Sale of Scrap	6	2
Total	253	287

1. @ The foreign exchange Gain /(loss) is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/ the reporting date.
2. Interest Others includes ₹ 2,578/- wrt current year is rounded off

NOTE 31 - COST OF MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
1) Raw material and components consumed		
Opening stock	660	529
Add: Purchases	6,393	2,513
	7,053	3,042
Less : Closing stock	939	660
Sub - Total (1)	6,114	2,382
2) Stores and consumables consumed		
Opening stock	139	188
Add: Purchases	274	75
	413	263
Less : Closing stock	198	139
Sub -Total (2)	215	124
Total (1+2)	6,329	2,506

NOTE 32 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	Work-in Progress			
Opening stock	2,344		2,408	
Closing stock	2,615	(271)	2,344	64
Finished Goods				
Opening stock	-		-	
Closing stock	-	-	-	-
Total Decrease / (Increase)		(271)		64

NOTE 33 - EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	Salaries and allowances		1,505	
Leave encashment		92		71
Contribution to provident fund and other funds				
Provident fund	110		101	
Superannuation fund	22		20	
Gratuity	48		50	
Other funds	4	184	4	175
Administration and EDLI charges on PF		6		5
Staff welfare expenses		37		35
Total		1,824		1,561

- Salaries and allowances of previous year has an effect of reversal of following excess Provisions written back.
 - Provision for Bonus Nil /- for current year (Previous Year - ₹ 429)
 - Provision for PPI Nil/- for current year (Previous Year - ₹ 5,83,699)
 - Provision for Superannuation Nil/- for current year (Previous Year - ₹ 13,952)

NOTE 34 - FINANCE COSTS

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	Interest others		-	
Interest on Cash Credit		-		-
Interest on Income Tax		6		-
Interest levied on Delayed Payment of IGST & BCD		-		-
Sub-Total (1)		6		-
Other borrowing cost				
Loan processing charges		6		16
Sub-Total (2)		6		16
Total (1+2)		12		16

- Interest on Cash Credit of ₹ 5896/- & ₹ 445/- wrt current year and previous year is rounded off.
- Interest levied on delayed payment of IGST & BCD ₹ 31,775/- wrt current year (Previous year ₹ 19,273/-) is rounded off.

NOTE 35 - DEPRECIATION / AMORTISATION

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation on Property, Plant & Equipments	1,070	744
Amortisation on Intangible Assets	1,973	1,253
Total	3,043	1,997

NOTE 36 - TECHNICAL ASSISTANCE FEE (XR-5 TOT)

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Technical assistance fees	-	413
Total	-	413

NOTE 37 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Power and fuel	324	261
Water charges	4	4
Travelling & conveyance	56	22
Communication	2	3
Printing and stationery	5	2
Insurance	32	30
Rates & taxes	28	20
Bank charges	27	11
Legal & professional charges	20	17
Support for Sales & Services	19	
Repairs		
Machinery	199	79
Building	-	2
General maintenance expenses	172	130
Provision for Obsolete Stock	-	2
Provision for Non-Moving Stock	8	1
Provision for repairs during warranty period	-	30
Provision for Liquidated Damages by Debtors	8	3
CSR Expenses	16	11
Freight & Transportation	10	
Miscellaneous expenses	36	25
Total	966	653

Provision for Obsolete Stock of ₹ 10,000/- wrt Current year is Rounded off

Travelling & Conveyance includes expenditure ₹ 16 lacs incurred under XR-5 project

NOTE 38(1) - 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 93152370 Shares.

Earning Per Share	2023-24	2022-23
Earning Per Share (Basic & Diluted) from continuing Operation	1.78	0.80
Earning Per Share (Basic & Diluted) from discontinuing Operation	-	-
Amount used as the numerators in calculating basic & diluted earnings per share	1659	676
Weighted average number of equity shares used in computing basic and diluted earnings per share	93152370	84506970

NOTE 38(2)- DISCLOSURE RELATING TO CSR EXPENDITURE

₹ in Lakhs

Particulars	In Cash	Yet To be Paid In Cash	Total	Appropriation For Unspent Amount	CSR Grant Total
i. Construction / Acquisition on any asset	-	17	17	11	28
	-	-	-	-	-
ii. Purpose other than (i) above	1	-	1	-	1
	-	-	-	-	-

₹ in Lakhs

Nature of CSR activities	Total previous shortfall	Amount required to be spent on CSR during the year	Amount of expenditure incurred	Shortfall as at 31-03-2024	Reason for shortfall
1. Construction of primary health care sub-centre	-	21	-	21	Not Applicable
2. Supply of medical equipments	-	6	-	6	
3. Healthcare Project	1	1	1	-	
Total	1	28	1	27	

I) MOVEMENT OF CSR PROVISION

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Carrying Amount at the beginning of the year	12	66
Add: Additional Provision made during the year	16	11
Less : Amounts Used during the year	1	65
Less : Unused amounts reversed during the year		
Carrying Amounts at the end of the year	27	12

Note No. 39 Financial Risk Management

i) Risk Management framework and policies

The Company is broadly exposed to credit risk, liquidity risk and market risk (fluctuations in exchange rates, interest rates and price risk) as a result of financial instruments.

The Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Company's risk management framework. For this purpose, the Board has set up a Risk Management Committee which is responsible for developing and monitoring the risk management policies. The Company has an established Risk Management Policy that outlines risk management structure and provides a comprehensive frame work for identification, evaluation, prioritization and treatment of various risks associated with different areas of financial and operations.

ii) Market Risk

Market risk is the risk due to changes in market prices – such as foreign exchange rates, interest rates that affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk).

iii) Currency Risk

BELOP is exposed to foreign exchange risk arising from foreign currency transactions primarily relating to purchases and sales made in foreign currencies such as US Dollar (USD), Euro, SGD, CHF. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

The Company's Risk Management Committee reviews the Company's exposure to this risk on a regular basis.

The Company's export proceeds which are realized in USD & EURO are received in an Export Earners Foreign Currency account (EEFC) which is then utilised for payments in USD& EURO foreign currency, thereby mitigating the currency risk on exports.

In case of customer orders, the ERV clause is built-in the contract which eliminates the foreign currency fluctuation risk.

The company has not entered into any derivative contracts during the financial year 2023-24. As on 31st March 2024, there are no outstanding derivative contracts.

Company's exposure to currency risk is as follows: -

₹ In Lakhs

Particulars	31 st March 2024		31 st March 2023	
	Euro	USD	Euro	USD
Bank Balance	3	-	-	-
₹	274	-	-	-
Trade Receivable	8	-	3	-
₹	701	-	219	-
Bank Loans - Secured	-	-	-	-
₹	-	-	-	-
Trade Payables	3	3	23	3
₹	245	275	2108	243
Net Exposure i.r.o recognised (assets) and liabilities	8	3	20	3
₹	(730)	275	1889	243

iv) Foreign Currency sensitivity

A reasonably possible strengthening/(weakening) of the Indian Rupee against major currency Euro as at 31st March 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected Profit or Loss and Equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Impact on Profit and Equity ₹ in lakhs	
	31.03.2024	31.03.2023
Currency Wise – Euro Rate Increase by 5%	-12	-106
Currency Wise – Euro Rate Decrease by 5%	12	106

v) Interest rate risk

Interest rate risk can either be fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rate.

vi) Variable Rate borrowing

- BELOP has been sanctioned fund based and non-fund based working capital limits of ₹ 2,500 Lakhs by SBI .The rate of interest is 8.70% p.a. The rate of interest charged by SBI is linked to their base rate which is subject to fluctuations ,as per the terms and conditions. Outstanding as on 31st March 2024 is NIL. As the borrowing is Nil there is no impact of likely change in the interest rates.
- M/s Bharat Electronics Ltd has sanctioned Term loan for ₹ 3,761/- Lakhs by for setting up industrial facilities for manufacture of aviation hoses. The interest is charged monthly at the rate of yield earned by BEL on the deposits made with banks upto previous month or the interest rate of yield on a Government of India bond of five year tenure whichever is higher. Outstanding as on 31st March 2024 is NIL. As the borrowing is Nil there is no impact of likely change in the interest rates.

vii) Liquidity Risk

Liquidity Risk is the risk that a Company could encounter if it faces difficulty in meeting the obligations associated with financial liabilities by delivering cash and other financial asset or the risk that the Company will face difficulty in raising financial resources required to fulfill its commitments. The Company's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash to pay its liabilities when they are due. To ensure continuity of funding, the Company has access to short-term bank facilities in the nature of cash credit facility to fund its ongoing working capital requirements.

The Company meets its liquidity requirement mainly through internally generated cash flows which is monitored by mapping expected cash inflows, to meet the liabilities.

The tables below analyse the company's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

viii) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalent with banks, security deposits and loans.

The credit risk of the Company is managed at a corporate level with directives of the risk management committee.

Significant amount of trade receivables are due from Government / Government Departments, Public Sector Companies (PSUs) consequent to which the Company does not have a credit risk associated with such receivables. In case of non Government trade receivables, sales are generally carried out based on Letter of Credit established by the customer thereby reducing the credit risk.

Advance payments are made in very special cases without bank guarantee after obtaining permission of the Board but the amount of advance payments is very minimal as compared to the total payments. Impairment losses on financial assets (representing mainly liquidated damages leviable for delayed deliveries and other disallowances) have been made after factoring contractual terms, etc. and other indicators to reflect expected credit loss.

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of upto 1 year. The Company maintains it's short-term deposits with nationalised /scheduled commercial banks and it's consortium bankers only. The Company has not incurred any losses on account of default from banks on deposits.

The credit risk in respect of other financial assets is negligible as they comprise of term deposits held with banks.

xi) Capital Management

The Company's Capital Management objective is to maintain a strong capital base and optimal capital structure to provide adequate returns to the shareholders and ensure the ability of the company to continue as a going concern. The company has a conservative approach for raising capital through debt. In order to meet the requirements of XR-5 project, the company has raised funds by way of rights issue during the year 2022-23 of Rs. 2199 Lakhs, allotment of which took place on 4th April 2023.

The Company plans to follow a Dividend Distribution Policy which proposes payments of dividend and retention of surplus for future growth and enhancing shareholders wealth.

The company's has not availed any term loan or working capital during the year and the outstanding debt as on 31st March 2024 is Nil.

The Gearing Ratio is given below:-

₹ in lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt	-	-
Total equity	28,602	24,922
Net debt to equity ratio	-	-

Note No. 39 –Financial Risk Management (ix)**Financial Instruments - Fair Value Measurements****1. Accounting classification and fair values**

The following tables show the carrying amount and fair values of financial assets and liabilities:

(a) Financial Assets

₹ In Lakhs

Sr. No.	Particulars	31 st March 2024			31 st March 2023		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets measured at fair value	-	-	-	-	-	-
	Total	-	-	-	-	-	-
	Financial Assets not measured at fair value						
i	Trade Receivables	-	-	3,659	-	-	938
ii	Cash and cash equivalents	-	-	3,720	-	-	5,969
iv	Other Bank Balances	-	-	17	-	-	307
v	Other Financial Assets						
A	Term Deposit	-	-	393	-	-	87
B	Interest On Term Deposits	-	-	19	-	-	38
C	Security Deposit	-	-	46	-	-	36
	Total			7,854			7,375

2. Accounting classification and fair values (Continued)

(b) Financial Assets

₹ In Lakhs

Sr. No.	Particulars	31 st March 2024			31 st March 2023		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Liabilities measured at fair value	-	-	-	-	-	-
	Total	-	-	-	-	-	-
	Financial Liabilities not measured at fair value						
i	Borrowings	-	-	-	-	-	-
ii	Current Maturities of Long Term Debt (Loan from BEL)	-	-	-	-	-	-
iii	Trade Payables	-	-	1,181	-	-	1,057
iv	Other Financial Liabilities						
A	Other Payable	-	-	22	-	-	1,599
B	Security Deposits	-	-	41	-	-	47
C	Outstanding Expenses	-	-	80	-	-	54
D	Interest On Borrowing	-	-	-	-	-	-
E	Interest On MSME	-	-	-	-	-	-
	Total	-	-	1,324	-	-	2,757

Note:- Interest on MSME of ₹ 22,111/- wrt current year is rounded off. (Previous Year ₹ 22,111/-)

Note No. 39 – Financial Risk Management – Liquidity Risk (Point No. VI)**(I) Maturities of Financial Liabilities: -**

The table below reflects the all financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed are gross and undiscounted cash flows.

As at 31 March 2024

₹ In Lakhs

Sr No	Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 Years	Between 2 and 5 years	Total
i	Borrowings	-	-	-	-	-	-
ii	Current Maturities of Long Term Debt (Loan from BEL)	-	-	-	-	-	-
iii	Trade Payables	1,181	-	-	-	-	-
iv	Other Financial Liabilities:-						
A	Other Payable	22	-	-	-	-	-
B	Security Deposits	41	-	-	-	-	-
C	Outstanding Expenses	80	-	-	-	-	-
D	Interest On Borrowing	-	-	-	-	-	-
E	Interest On MSME	-	-	-	-	-	-

Note:- Interest on MSME of ₹ 22,111/- w.r.t. current year is rounded off.

As at 31 March 2023

₹ In Lakhs

Sr No	Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
I	Borrowings	-	-	-	-	-	-
	Current Maturities of Long Term Debt (Loan from BEL)	-	-	-	-	-	-
II	Trade Payables	1,057	-	-	-	-	1,057
III	Other Financial Liabilities:-						
A	Other Payable	1,599	-	-	-	-	1,599
B	Security Deposits	47	-	-	-	-	47
C	Outstanding Expenses	54	-	-	-	-	54
D	Interest On Borrowing	-	-	-	-	-	-
E	Interest On MSME	-	-	-	-	-	-

Note:- Interest On MSME of ₹ 22,111/- w.r.t. current year is rounded off.

General Notes to Accounts

Note No. 40

1. Statement of Compliances

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) (as notified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended) and other relevant provisions of the Act.

2. Borrowings

i) Working Capital Loan from Banks

- The company has been sanctioned working capital limit of ₹ 2,500/- Lakhs by SBI. The rate of interest is 8.70% p.a.

- b. The above sanctioned limits are also 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 as outlined below. The sanctioned limits are also secured by first pari passu charge by way of equitable mortgage on Land & Building. The carrying amounts of assets pledged as security for working capital borrowings are as outlined below:-

₹ In Lakhs

Sr. No	Particulars	31.03.2024	31.03.2023
1	Inventories	4249	3,752
2	Trade Receivables	3659	938
3	Cash & Cash Equivalent	3720	5,969
4	Bank Balance	17	307
5	Other Financial Assets	5	37
6	Other Current Assets	245	121
	Total Current Assets	11895	11,124

3. Funding of the XR-5 Project

During the year 2022-23, Company has received Rs.2199 Lakhs from Holding Company, M/s Bharat Electronics Ltd, by way of Right issue of 87,16,850 Equity Shares of Rs.10/- each at a premium of Rs.15.23 per share by way of infusion of equity towards XR5 project. The allotment of the shares against share application money received during 2022-23 is completed on 4th April 2023.

4. Aviation Hoses Project.

Company has entered into an offset contract with M/s Rosoboronexport, Russia for setting up facilities for manufacture of aviation hoses at BELOP. The project is under implementation.

5. Contractual Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 55/- Lakhs (Previous Year ₹ 73/- Lakhs).

6. Details of Grant Transfer in respect of Projects

a. ToT (XD-4)

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 which is funded by way of Grant. The percentage of grant to ToT Cost is 74.30% and accordingly 74.30% of the total expenses incurred in the year 2023-24 towards ToT has been transferred to income in the Statement of Profit and Loss & corresponding expenses is debited to Statement of Profit and Loss.

S. No	Particulars	₹ in lakhs	
		2023-24	2022-23
1	Depreciation	516	520
2	Amortization of License Fee	1250	1250
3	Total	1765	1770
4	% of Grant Transfer	74.30%	74.30%
5	Grant Transfer (3*4)	1312	1315

b. BRNS Project

During the year 2022-23, BRNS has sanctioned total Grant of Rs.39 Lakhs for three year (2022-23 to 2024-25) for "Development of Vacuum Photocathode, Hybrid Photodiode and Micro Channel Plate PMT. During the year the company has received Grant of ₹ 10 Lakhs for the above captioned project & expenditure incurred is ₹ 6 lakhs which has been transferred to income in the Statement of Profit and Loss.

7. Payment To Auditors (Net of GST)

₹ In Lakhs

Particulars	2023-24	2022-23
Statutory Audit Fees	1.50	1.50
Total	1.50	1.50

8. Related Party Disclosures:**a. Name of the related party and nature of relationship where control exists:**

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

b. Related Party Transactions with holding Company Bharat Electronic Limited

₹ In Lakhs

Nature of Transactions	Amount of Transactions	Amount of Transactions	Amount Outstanding at the end of year 31.03.2024		Amount Outstanding at the end of year 31.03.2023	
	2023-24	2022-23	Debit (₹)	Credit (₹)	Debit (₹)	Credit (₹)
	(₹)	(₹)				
Sales	4604	1022	-	-	-	-
Purchases		-	-	-	-	-
Internal Audit Fees	1	1	-	-	-	-
Trade Payables		-	-	1	-	1
Equity Contribution (Including Securities Premium)	2199	-	-	19622	-	17,422
Share Application Money Pending Allotment	-	2199	-	-	-	2199
Dividend Paid	203	206	-	-	-	-
Trade Receivables**		-	1341	-	209	-

** Debtors includes ₹ 145/- Lakhs (Previous Year ₹ 143/- Lakhs) for which provision for doubtful debts has been made.

c. Transaction with Government and Government Related Entities :-

As BELOP is a government entity under the control of Ministry of Defence (MoD) and has availed exemption from detailed disclosures required under IND-AS 24 with respect to related party transactions with government and government related entities. An amount of ₹ 1766/- Lakhs (previous year ₹ 343/- Lakhs) is outstanding as Trade Receivables as on 31.03.2024.

d. Key Management Personnel Details are as follows:**i) Name and designation of Key Management Personnel**

Sr. No.	Name of Key Management Personnel	Designation
1	Mr. Bhanu Prakash Srivastava	CMD,BEL and Chairman, BELOP
2	Mr. Manoj Jain	Director (R & D),BEL & Director, BELOP
3	Mr. Manoj Kumar	Executive Director (NM) & Director, BELOP
4	Mr. Damodar Bhattad	Director (F),BEL & Director, BELOP
5	Mr. DCN Srinivasa Rao (upto 31.7.2023)	Chief Executive Officer, BELOP
6	Mr. Ashok K S(w.e.f. 1.8.2023)	Chief Executive Officer, BELOP
7	Mr. P. Sarkar (upto 31.1.2024)	Chief Financial Officer, BELOP
8	Ms. Priya .S. Iyer (HoD Finance w.e.f. 5.2.2024)	Company Secretary & HoD(F & MS),BELOP

ii) Compensation to Key Management Personnel

The above Directors are Part time directors and no remuneration has been paid by the company to them during this year.

The remuneration paid to CEO, BELOP, CFO and to the Company Secretary, BELOP is given below:-

₹ In Lakhs

Sr.No.	Particulars	Short-term benefits		Retirement Benefits		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	Mr. DCN Srinivasa Rao (Up to 31.07.2023)	15	44	5	8	19	52
2	Mr. K.ASHOK (From 01.08.2023)	27	-	6	-	33	-
3	Mr. P. Sarkar (Up to 31.01.2024)	32	36	6	7	38	43
4	Ms. Priya .S. Iyer	20	18	4	4	24	22

iii) Management Contracts including deputation of employees

During the year, two Officials were on deputation from, BEL i.e. Holding Company and salaries etc is paid by BEL Optronics Devices Limited during the year as per the terms and conditions of employment.

9. Segment Reporting

As per the IND-AS Accounting Standard – 108 on “Operating Segments” Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5th June, 2015 as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.

10. Impairment of assets

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.

11. Expenditure incurred on Research and Development

The company has incurred an expenditure on Research and Development during the year which are in the respective natural Classification is given below:-

₹ In Lakhs

Particulars	2023-24	2022-23
Material	63	2
Capital Expenditure	-	-
Employee Remuneration & Benefits	40	20
Gross Expenditure	103	22

12. Contingent Liabilities

₹ In Lakhs

Sr. No.	Particulars	For the year ended 31.03.2024 (₹)	For the year ended 31.03.2023 (₹)
a)	Outstanding Letters of Credit	325	544
b)	Outstanding Bank Guarantees (Counter Guarantee given against same by Company)	225	151
c)	Octroi Demand disputed by the Company and deposited with Sr. Divisional Bench of Pune Court in the financial year 2005-06. Presently the case is pending with Small Causes Court, Pune.	14	14
d)	Service tax disputed by the company	198	198
e)	Provisional Liquidated damages upto 31 st March unexecuted customer orders where the delivery date has expired.	Nil	6
	Total (a to e)	762	913

13. Contingent Assets:-

There are no contingent Assets as on 31st March 2024(Previous year Nil).

14. Labour Disputes

In respect of labour matters, as the matters are yet to be adjudicated, the liability ,if any, is not ascertainable.

15. Dividend not recognized at the end of the reporting period

The directors have recommended a dividend of INR 0.54 (INR 0.24) per share.(Represents absolute figures).during 2023-24.

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would result in cash outflow of approximately ₹ 500 lakhs (₹ 203 lakhs).

16. Value of Remaining Performance Obligation (Pending Orders to be executed)

Unrecognised revenue from contracts with Customer which are partially satisfied or unsatisfied (Pending Orders to be executed)

₹ In Lakhs

Particulars	Total Amount	Within a Year	1-2 Years	2-3 Years	More than 3 years
Unexecuted Order Value	4,540	4,540	-	-	-
Total	4,540	4,540	-	-	-

17. Other disclosure required as per the amendments in Schedule III

- a. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - b. The Company do not have any transactions with companies struck off
 - c. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
 - d. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - e. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - f.
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - g. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
or
 - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - h. The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
18. The date on which the Code of Social Security,2020 will come to effect has not been notified and the company will assess the impact of the code when it comes into effect and will record the impact in the period the code becomes effective.
19. Previous year's figures have been regrouped/ reclassified where ever considered necessary. Figure in brackets relate to previous year.
20. All the figures in the Financial Statement are rounded off to nearest lakhs unless otherwise mentioned.

Employee benefits

Ind AS-19

Gratuity

Details of Employee Benefits as required by the Ind AS 19 Employee Benefits are as under:

Defined Benefit Plan

- i) Actuarial gains and losses in respect of defined benefit plans recognised in the statement of Profit & Loss is ₹ 48/- Lakhs (Previous Year ₹ 50/- Lakhs)
- ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprehensive Income is ₹ (33)/- Lakhs (Previous Year ₹ (28)/- Lakhs)
- iii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service. Gratuity plan is funded.

₹ In Lakh

Particulars		Gratuity	
		Current year	Previous Year
(A)	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 at the Beginning of the period	1,183	1,099
2	Interest Cost	88	77
3	Current Service Cost	46	47
4	Past Service Cost	-	-
5	Liability Transferred In/ Acquisitions	-	-
6	(Liability Transferred Out / Divestment)	-	-
7	Losses (gains) on Curtailment	-	-
8	Liabilities extinguished on settlements	-	-
9	(Benefit Paid Directly by the Employer)	-	-
10	(Benefit Paid From the Fund)	(13)	(6)
11	The Effect of Changes in Foreign Exchange Rates	-	-
12	Actuarial (gains) / losses on obligations -Due to Change in Demographic Assumptions	-	-
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	18	(38)
14	Actuarial (gains) / losses on obligations- Due to Experience	(38)	4
15	Present value of Defined Benefit Obligation as on Balance Sheet date	1,284	1,183

₹ In Lakh

(B)	Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :	Current year	Previous Year
1	Fair value of Plan assets at the Beginning of the period	1,160	1,060
2	Interest Income	86	74
3	Actual contributions by Employers	23	38
4	Expected contributions by Employees	-	-
5	Assets Transferred In/ Acquisitions	-	-
6	(Assets Transferred Out / Divestment)	-	-
7	(Benefit Paid From the Fund)	(13)	(6)
8	(Assets Distributed on Settlements)	-	-
9	Effects of Asset Ceiling	-	-
10	The Effect of Changes in Foreign Exchange Rates	-	-
11	Return on Plan Assets, Excluding Interest Income	13	(6)
12	Fair value of Plan assets at the End of the Period	1,269	1,160

₹ In Lakh

(C)	Amount Recognised in the Balance Sheet	Current year	Previous Year
1	Present value of Plan assets at the end of the period	(1,284)	(1,183)
2	Fair Value of Plan assets at the end of the year	1,269	1,160
3	Funded Status (Surplus/(Defecit)	(15)	(23)
4	Net Asset/(Liability) recognized in the Balance Sheet	(15)	(23)

₹ In Lakh

(d)	Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :	Current year	Previous Year
1	Present value of Plan assets at the end of the period	(1,284)	(1,183)
2	Fair Value of Plan assets at the end of the year	1,269	1,160
3	Funded Status (Surplus/(Defecit)	(15)	(23)
4	Unrecognized Past Service Costs	-	-
5	Net Asset/(Liability) recognized in the Balance Sheet	(15)	(23)

₹ In Lakh

(E)	Expenses Recognised in the Statement of Profit or Loss for current Period	Current year	Previous Year
1	Current Service cost	46	47
2	Interest cost	2	3
3	Past Service cost	-	-
4	(Expected Contributions by the Employees)	-	-
5	Losses (gains) on Curtailments & Settlements	-	-
6	Net Effect of Changes in Foreign Exchange Rates	-	-
	Total expense recognised in the Statement of Profit & Loss under Contribution to Gratuity Fund	48	50

₹ In Lakh

(F)	Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period	Current year	Previous Year
1	Actuarial (Gains)/Losses on the Obligation for the period	(20)	(34)
2	Return Plan Assets, Excluding Interest Income	(13)	6
3	Change in Asset Ceiling	-	-
4	Net (Income)/Expenses for the Period Recognised in OCI	(33)	(28)

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

(H)	Principal Actuarial Assumptions :	Current year	Previous Year
1	Discount Rate (%)	7.20%	7.44%
2	Expected Return on plan assets (%)	7.20%	7.44%
3	Salary Escalation (%)	10.50%	10.50%
4	Rate of Employee Turnover	2.00%	2.00%

- 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.

(I)	Sensitivity Analysis	Current Period	Previous Period
	Projected Benefit Obligation on Current Assumptions	1,284	1,183
1	Delta Effect +1% Change in Rate of Discounting	(74)	(77)
2	Delta Effect -1% Change in Rate of Discounting	82	85
3	Delta Effect +1% Change in Rate of salary increase	79	82
4	Delta Effect -1% Change in Rate of salary increase	(72)	(75)
5	Delta Effect +1% Change in Rate of Employee Turnover	(12)	(12)
6	Delta Effect -1% Change in Rate of Employee Turnover	13	13

(J) Investment of Gratuity Fund is with Insurance Company

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 ₹ 632/- Lakhs as on 31.03.2024 (Previous Year ₹ 578/- Lakhs). The actuarial valuation has been done using PUC method.

Particulars	31.03.2024	31.03.2023
Retirement Age	58years	58years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	10.50%
Rate of Discounting	7.20%	6.98%
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.

₹ In Lakh

Particulars	Current Year	Previous Year
Current Liability	19	15
Non Current Liability	613	563
Total	632	578

₹ in Lakhs

STATEMENT OF ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2024

Sr. No.	Ratio	Explanation		Current Year		Previous Year		Current Period	Previous Period	% Changes	Reason for Changes
		Numerator	Denominator	Num-erator	Denominator	Num-erator	Denominator				
1	Current ratio	Current Asset	Current Liabilities	11,895	3,291	11,226	5,345	3.61	2.10	72.25	Due to increase in Current Assets.
2	Debt-equity ratio	Total Debt	Shareholders Equity	10,518	28,602	13,573	24,922	0.37	0.54	(33.47)	Due to Decrease in total Debt
3	Debt service coverage ratio	Earning available for debt service	Debt Service	4,708	-	2,673	-	NA	NA	NA	N.A.
4	Return on equity ratio	Net Profit after taxes	Average Shareholder Equity	1,659	27,861	676	24,677	0.06	0.03	138.84	Increase in Net Profit
5	Inventory turnover ratio	Sales	Average Inventory	12,484	3,569	5,947	3,206	3.50	1.85	89.68	Due to increase in Sales
6	Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	12,645	2,299	6,901	518	5.50	13.32	(58.71)	Due to increase in Sales & Debtors
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	6,667	1,119	5,681	1,460	5.96	3.89	53.06	Due to increase Purchases

Sr. No.	Ratio	Explanation		Current Year		Previous Year		Current Period	Previous Period	% Changes	Reason for Changes
		Numerator	Denominator	Num-erator	Denominator	Num-erator	Denominator				
8	Net capital turnover ratio	Net Sales	Working Capital	12,645	8,604	6,098	5,881	1.47	1.04	41.18	Due to increase in Sales
9	Net profit ratio	Net Profit	Net Sales	1,659	12,645	676	6,098	0.13	0.11	20.00	Due to increase in Net Profit
10	Return on capital employed (ROCE)	Earning before Interest & taxes	Capital Employed	2,336	29,148	914	27,410	0.08	0.03	161.00	Due to Increase in Earing before Interest & tax
11	Return on investment	Since Company is an unlisted entity, hence Return on Investment can not be computed									

Since the change in the Ratio is not more than 25% as compare to preceding year further explanation is not required. Hence, it is Not Applicable.

MATERIAL ACCOUNTING POLICIES

Corporate Information

The accompanying financial statements comprise the financial statements of BEL Optronics Devices Ltd., Pune (BELOP) (the Company). The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Pune, Maharashtra. The Company is a wholly owned subsidiary of Bharat Electronics Limited (BEL). The Company is engaged in manufacture of Image Intensifier Tubes and associated high voltage Power Supply Units for use in defence system.

1. Basis of Preparation and Statement of Compliance

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting. GAAP comprises the mandatory Indian Accounting Standards (Ind-AS) [as notified under Section 133 of the Companies Act, 2013 read Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP, requires that the management 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.

3. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- i. Derivative financial instruments, if any
- ii. Financial assets and liabilities those are qualified to be measured at fair value.
- iii. The defined benefit asset/liability is recognised as the present value of defined benefit obligation less fair value of plan assets.

4. Functional and presentation currency

The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company.

5. Revenue Recognition

A) Revenue from Contract with Customers-

- i. Revenue is recognized when (or as) the company satisfies a performance obligation by transferring a promised goods or services (i.e., an Asset) to a Customer.
- ii. Satisfaction of performance obligation at a point in time
 - a) The company recognises the revenue at a point in time when it satisfies the performance obligations.
 - b) The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- ◆ the company has transferred physical possession of the asset
- ◆ the customer has legal title to the asset
- ◆ the customer has accepted the asset
- ◆ when the company has a present right to payment for the asset
- ◆ the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.

Ex-Works contract – In case of Ex-works contract, revenue is recognised when the specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.

FOR Contracts – In the case of FOR contracts, revenue is recognised when the goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period.

c) Bill and hold Sales

Bill and hold sales are recognised when all the following criteria are met:

- ◆ the reason for the bill and hold sales is substantive
- ◆ the product is identified separately as belonging to the customer
- ◆ the product is currently ready for physical transfer to the customer
- ◆ the company does not have the ability to use the product or to direct it to another customer

iii. Measurement

a) **Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation.**

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

In case of price escalation and ERV revenue is recognised at most likely amount to be realised from customer in line with contractual terms.

b) **Penalties**

Penalties (including levy of liquidated damages for delay in delivery) specified in a contract are not treated as an inherent part of Transaction Price if the levy of same is subject to review by the customer.

c) **Significant financing component**

Advances received towards execution of Defence related projects are not considered for determining significant financing component since the objective is to protect the interest of the contracting parties.

In respect of other contracts, the existence of significant financing component is reviewed on a case to case basis.

d) **Other Income**

Recognition of other income is as follows

i. **Interest Income**

Interest income is recognised using the effective interest rate method.

ii. Other Income

Other income not specifically stated above is recognised on accrual basis.

iii Duty Drawbacks

Duty drawback claims on exports are accounted on accrual basis

6. Inventories

- (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, direct labour and appropriate overheads.
- (iii) Finished Goods have been valued at the lower of cost and net realisable value

7. Depreciation /Amortisation**Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company, based on technical assessments made by technical experts and Management estimates the useful life of the assets in the manner prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Where cost of a part of the asset is significant to total cost of the asset and estimated useful life of that part is different from the estimated useful life of the remaining asset, estimated useful life of that significant part is determined separately and the significant part is depreciated on straight-line method over its estimated useful life. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on certain items of Plant & Machinery is charged over the estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Amortisation

Amortisation is calculated to write off the cost of intangible assets using the straight line method over their estimated useful lives and is generally recognised in Statement of Profit & Loss. Amortisation methods, useful lives are reviewed at each reporting date and adjusted if appropriate.

8. Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property, plant & equipment (calculated as the difference between the net disposal proceeds, if any and the carrying amount of the property, plant & equipment) is included in the Statement of Profit & Loss when the property, plant & equipment is derecognised.

9. 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.
- (ii) 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.

- (iii) 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.
- (iv) 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 for which lumpsum contribution are made.
- (v) Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit & Loss.

10. Income Taxes

Income tax comprises of current and deferred tax.

(i) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly **other comprehensive income or** in equity is recognised in other comprehensive income or respectively not in the Statement of Profit & Loss.

Deferred tax relating to items recognised outside Statement of Profit & Loss is recognised outside Statement of Profit & Loss.

(ii) Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

11. Foreign Currency Transactions.

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit & Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

12. Forward Contracts

Derivative financial instruments such as forward currency contracts, use for hedging foreign currency risk are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

13. Borrowing Costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to general borrowings outstanding, other than specific borrowings. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

14. Property, Plant and equipment, Capital Work in-progress

Property, Plant and equipment

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Cost for this purpose includes all attributable costs for bringing the asset to its location and condition. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met.

Capital work-in-progress

The cost of fixed assets not ready for their intended use as at each balance sheet date is disclosed as capital work-in-progress.

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

15. Intangible Assets, Intangible assets under development

The cost of license fee, technical know how etc acquired for transfer of technology resulting in significant future economic benefits is recognised as an Intangible Asset in the books of accounts when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development".

Cost of Developmental work which is completed, wherever eligible, is recognised as an Intangible Asset.

Cost of Developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".

Intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and cumulative impairment losses, if any.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses on derecognition of intangible assets, if any, are recognised in the statement of profit and loss.

16. Expenditure on Technical Know How

Expenditure incurred on technical know-how is charged off to Statement of Profit and Loss on incurrence unless it qualifies for recognition as an Intangible Asset /Part of Tangible Assets either separately on its own or in combination with other assets / expenses.

17. Research & Development Expenditure

- (i) Expenditure on Research activity is recognized as an expense in the period when it is incurred.
- (ii) Development expenditure (other than on specific development- cum sales contracts and Developmental projects initiated at customer's request), is charged off as expenditure when incurred. Developmental expenditure on development -cum -sale contracts and on Developmental projects initiated at customer's request are treated at par with other sales contracts.

Developmental projects are reviewed periodically and the amount carried forward, if any, is charged off in the event of the project being declared closed by the customer/end user without any commitment to place order.

- (iii) Expenditure incurred towards other developmental activity (including joint developmental activity in collaboration with external agencies) where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in IND-AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.
- (iv) R&D expenditure on Fixed Assets is capitalised.

18. Government Grants

Grants from Government are measured at fair value and 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 & Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

The amount lying in Deferred Income on account of Revenue Expenses is transferred to the credit of Statement of Profit & Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the Government grant received.

19. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- ◆ Debt instruments at amortised cost,
- ◆ Debt instruments at fair value through other comprehensive income (FVTOCI),
- ◆ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL),
- ◆ Equity instruments measured at fair value through other comprehensive income FVTOCI.

Derecognition

A financial asset or part of a financial asset is derecognised. The rights to receive cash flows from the asset have expired.

Trade receivables and other receivables

Receivables are initially recognised at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

20. Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Bank overdrafts, if any, are classified as borrowings under current liabilities in the Balance Sheet.

21. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

- a. Time barred dues from the government / government departments / government companies are generally not considered as increase in credit risk of such financial asset.
- b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
- c. Dues outstanding for significant period of time are reviewed and provision is made on a case to case basis.

Impairment loss allowance (or reversal) is recognised as expense/(income) in the Statement of Profit or Loss.

22. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through profit or loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined in Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(iv) Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

23. Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

24. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

25. Leases Company as a Lessee:-

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with Short terms leases and Leases in respect of Low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of property, plant and equipment. Subsequent measurement of right-of-use asset is made using Cost model

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments and presented as Borrowing.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the Statement of Profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company’s incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

26. Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

27. 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.

In cases where a trend is not ascertainable, provision for warranty is made based on the best estimate of management.

28.

i. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

- ii. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

29. Contingent Liabilities/Assets

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

30. Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS-7 on Statement of Cash Flows.

31. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

32. Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

33. 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.

34. Errors and estimates

The Company revises its accounting policies if the change is required due to a change in Ind-AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to Statement of Profit & Loss is applied prospectively in the period(s) of change.

Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

As per our report attached**PRASS & ASSOCIATES LLP****Chartered Accountants****Firm Reg. No. 107816 W/W 100222****BHANU PRAKASH SRIVASTAVA****Chairman****MANOJ JAIN****Director****AJINKYA RANADIVE****Partner****MEM NO.148962****DAMODAR BHATTAD****Director****ASHOK K S****Chief Executive Officer****Place: Pune****Date: 15th May 2024****PRIYA S. IYER****Company Secretary & CFO****Place: Bengaluru****Date: 15th May 2024**

INDEPENDENT AUDITOR'S REPORT

To the Members of Bel Optronik Devices Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of Bel Optronik Devices Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31st, 2024 and its profit and loss including Other Comprehensive Income, Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds

and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The company does not have any branches and hence branch Audit is not applicable.
 - (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid Standalone Ind AS 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) The company being a government company the provisions of Section 164(2) of the Companies Act, 2013 in respect of disqualification of Directors is not applicable.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and also disclosed under Note No 40(8)(d)(ii), the company has not paid remuneration to its directors during the financial year.
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in the Standalone Ind AS financial statements – Refer Note 40(12) to the financial statements. It may be noted that in respect of labour matters as the matters are yet to be adjudicated, the liability, if any, is not ascertainable and hence not disclosed.- Refer Note 40(14) to the financial statements.

- ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii) The provisions related to the said clause relating to transfer of amounts, required to be transferred, to the investor education and protection fund by the company are not applicable to the company
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
 - v) (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable (As declared in note no 17 to the standalone Ind AS financial statements)
 - (b) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend is in accordance with Section 123 of the Act, as applicable
 - vi) Based on our examination, which include test checks, the company has used accounting software for maintaining books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature tampered with.
3. As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the Standalone Ind AS financial statements of the company in **"Annexure C"**.

For **PRASS & Associates**
LLP Chartered Accountants

Sd/-

CA Ajinkya. J. Ranadive

Partner

M.No. 148962

Date: 15th May 2024

Place: Pune

UDIN: 24148962BKEDKZ9994

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

- 1) In respect of the company's property, plant and equipment, right-of-use assets and intangible assets:
 - a)
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets;
 - (B) The company has a regular program of physical verification of its property, plant and equipment and right-of-use assets by which fixed assets are verified in a phased manner over a period of three years.
 - b) In accordance with this program certain property, plant and equipment, and right-of-use assets have been physically verified by the management during the year and no material discrepancies between the records and the physical verification have been noticed. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets.
 - c) According to the information and explanation given to us by the management and based on our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
 - d) According to the information and explanation given to us by the management and based on our examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
 - a) The inventory has been physically verified at the year-end by the management and no material discrepancies were noticed between books of accounts and physical verification.
 - b) The company has availed Cash credit limits of Rs. 25 crores (as on 31st March 2024). However, the same is not yet utilised by the company. The limit so availed is on the basis of projected cash flow. As informed to us, the company does not have to submit any statements other than projected cash flows.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company and hence not commented upon.
- 4) The company has not given any loans, investment and guarantees, to a person specified under the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The Central Government has prescribed maintenance of cost records under sub-section
 - (1) of section 148 of the Companies Act, 2013 according to its turnover and the same has been maintained by the company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no statutory dues of income tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess or other statutory dues which have not been deposited by the company on account of any dispute except service tax as specified in the table below:

Sr. No.	Nature of Dues	Forum of dispute in pending	Financial year	31 st March, 2024
1.	Service Tax	CESTAT	2014-15	12,62,327.00
2.	Service Tax	CESTAT	2016-17	1,69,18,951.00
3.	Service Tax	CESTAT	2015-16	15,83,123.00

- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans and borrowings from financial institutions, banks, government or dues to the debenture holders.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (c) According to the information and explanations given to us by the management, the Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. The company does not have any subsidiary or joint venture.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- 10) (a) The Company had raised moneys by way of allotment during the year of shares issued on rights basis to existing shareholders. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the funds so raised were applied for the purposes for which those were raised.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As per explanation and information provided to us, no whistle blower complaints received by the Company during the year.
- 12) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion and explanation given to us and based on our examination of records of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) (a) There are no projects which are not ongoing and hence the requirement for transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act is not applicable;

- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For and on behalf of
M/s PRASS & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Sd/-
CA Ajinkya J. Ranadive Partner
M. No: 148962
Place: Pune
Date : 15th May 2024

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls with reference to financial reporting of **BEL OPTRONIC DEVICES LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operate defectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of internal financial controls with reference to financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31 March 2024, based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
M/s PRASS & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Sd/-
CA Ajinkya J. Ranadive Partner
M. No: 148962
Place: Pune
Date : 15th May 2024

Annexure - C to the Independent Auditors' Report

Response to the directions issued by the Comptroller and Auditor – General of India under Sec 143(5) of the Companies Act, 2013.

Based on Management response and our review of accounts, we submit the following:

Sr. No	Directions	Response
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has system in place to process all the accounting transactions through IT system. There are no accounting transactions that are processed outside the IT system, so the question of any financial implication does not arise.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	Based on our review of books of accounts and management confirmation there are no such cases of any restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Base on our review of books of accounts, the company has received funds (Grant) from Central/ State Government or its agencies during the year under review and the same is properly accounted/ utilised as per the terms & conditions.

For and on behalf of
M/s PRASS & Associates LLP
Chartered Accountants
Firm Registration No. 107816W/W100222

Sd/-
CA Ajinkya J. Ranadive Partner
M. No: 148962
Place: Pune
Date : 15th May 2024





SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
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प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरु - 560 001

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
DEFENCE-COMMERCIAL, BENGALURU - 560 001

दिनांक / DATE.

18 June 2024

To
Shri Bhanu Prakash Srivastava,
Chairman,
BEL Optronics Devices Limited,
Pune – 411 026.

Sir,

Sub: **Non-review Certificate** of the Comptroller and Auditor General of India under Section 143(6) (a) of the Companies Act, 2013.


I forward herewith **Non-review Certificate** of the Comptroller and Auditor General of India under Section 143(6)(a) of the Companies Act, 2013 on the accounts of **BEL Optronics Devices Limited, Pune** for the year ended 31 March 2024.

It may please be ensured that the Comments are:

- (i) Printed in toto without any editing;
- (ii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
- (iii) Placed before the AGM as required under proviso to Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,


(Perumal J.N)
Director (Admin)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT

पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरु - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दूर.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@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 BEL OPTRONICS DEVICES LIMITED, PUNE FOR THE YEAR ENDED 31 MARCH 2024

The preparation of Financial Statements of **BEL Optronics Devices Limited, Pune** for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 15 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statements of **BEL Optronics Devices Limited, Pune** for the year ended 31 March 2024 under Section 143 (6) (a) of the Act.

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


(Rajesh Ranjan)

Principal Director of Audit, Defence – Commercial

**Place: Bengaluru
Dated: 18 June 2024**