

**BEL OPTRONIC DEVICES LIMITED**

**ANNUAL REPORT  
2020-21**



**MISSION**

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

**BOARD OF DIRECTORS OF BEL OPTRONIC DEVICES LIMITED AS ON 23<sup>rd</sup> AUGUST 2021**

a)	Mrs. Anandi Ramalingam	Chairman	CMD, BEL
b)	Mr. Dinesh Kumar Batra	Director	Director (Fin), BEL
c)	Mr. Shivakumaran K M	Director	Director (HR), BEL
d)	Mr. M. V. Rajasekhar	Director	Director(R&D),BEL

**PRINCIPAL EXECUTIVE AS ON 23<sup>rd</sup> AUGUST 2021****CHIEF EXECUTIVE OFFICER**

Mr. DCN Srinivasa Rao

**COMPANY SECRETARY**

Ms. Priya Iyer

**CHIEF FINANCIAL OFFICER**

Mr. Parthanand Sarkar

**BANKERS**

1. State Bank of India

2. Axis Bank Ltd.

**AUDITORS****STATUTORY AUDITORS**

M/s Natu & Pathak,  
Chartered Accountants, Pune

**SECRETARIAL AUDITOR**

Mr. Yogesh Kandalgaonkar  
Company Secretary, Pune

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## TEN YEAR FINANCIAL STATISTICS

(₹ in Millions)

Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Income	702	1578	1843	1242	1087	1312	1246	1204	569	595
Profit after tax	82	58	50	37	24	48	116	142	30	49
Equity capital	183	183	183	183	378	592	663	722	839	845
Reserves & Surplus	255	312	362	398	676	1014	1219	1398	1514	1560
Working Capital	881	272	(185)	(322)	(86)	35	221	120	204	338
Capital Employed	942	347	37	573	745	892	1024	869	871	933
Net Worth	438	495	545	581	1055	1597	1868	2120	2353	2405

## CHAIRMAN'S LETTER

### Dear Shareholders,

It gives me immense pleasure to share with you the highlights of performance of your company during the past year and the future outlook for the Company.

## HIGHLIGHTS OF THE YEAR 2020-21

### FINANCIAL PERFORMANCE

Your company achieved a turnover of ₹ 4075 lakhs during the year 2020-21. During 2020-21, the company has posted a net profit of ₹ 490 lakhs. The Networth of the Company has increased to ₹ 24052 lakhs as on 31.03.2021, registering an increase of 2.22% mainly due to increase in profits and issue of additional equity shares worth ₹ 156 lakhs (including premium value).

### DIVIDEND

Your Directors have recommended a dividend of 30% of PAT for the year 2020-21 which amounts to ₹ 147 Lakhs.

### OTHER ACHIEVEMENTS

#### MoU Rating

Your company has been awarded "Fair" rating for the year 2019-20 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 in accordance with the Directives of the Department of Public Enterprises.

#### Corporate Governance Rating

Your company has been awarded "Very Good" rating for the year 2019-20 in respect to compliance of Corporate Governance Guidelines by the Department of Public Enterprises.

#### Credit Rating

During the year 2020-21, ICRA has assigned the following ratings to the company for the year 2020-21.

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

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

## 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 upgradation of manufacturing and Test Equipment.

The R & D team has also carried out the following activities in specific areas

- ❖ Establishing Bulk Manufacture of Autogated Power Supply Unit with alternate design to overcome obsolescence of an electronic component in the existing design.
- ❖ Design of Image Intensifier System (Ultra Violet Sensitive). The system has strategic, and commercial applications.
- ❖ Design of Dewar Assembly for Cooled Thermal Imager applications.

On account of the above R&D efforts, the company has progressed in identification of additional products and improving market potential of the existing products of the Company.

The Company is also in the process of upgrading the existing Products, to provide better product quality and increased productivity in the manufacture and supply.

The company is also taking efforts to develop new products by using it's competencies and skill.

## **FUTURE OUTLOOK**

The XR-5 project is in the final stages of implementation and the XR-5 grade I.I. Tubes of inverting and non-inverting configuration are already under trial production.

BELOP has initiated action to diversify into related areas and also new areas to improve business opportunities and to have variety of products in it's portfolio. As part of diversification, BELOP has signed Offset Contract with M/s Rosoboronexport, Russia on 3<sup>rd</sup> February 2021 for manufacture of aviation hoses at BELOP.

## **PERFORMANCE IN 2021-22**

Your company has an order book position of ₹ 17.15 Crores as on 30.06.2021. However, the company expects to receive further orders and execute them during the year and is expected to achieve a sales of around ₹ 70 Crores for the year 2021-22.

## **GOVERNANCE AND SUSTAINABILITY**

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

## **ACKNOWLEDGEMENTS**

I am grateful to the Board of Directors for their support and guidance. I deeply appreciate the support provided by the holding company, our customers and our business associates. The dedication and commitment of our employees and officers at all levels continues to be the major strength of our company. We shall make continuous efforts to build on these strengths to face future challenges and sustain the momentum for profitable growth.

Best Wishes,

**Sincerely,**

**-sd-**

**(Anandi Ramalingam)**  
**Chairman**

**Place: - Bengaluru**  
**Date: - 18<sup>th</sup> August 2021**

**BOARDS' REPORT'****To the Members,**

I have great pleasure in presenting to you, on behalf of the Board of Directors, the **31<sup>st</sup> Annual Report** highlighting the Company's performance in various metrics through the period alongwith the Audited Accounts for the year ended 31<sup>st</sup> March 2021 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 ₹ 4075 lakhs and has made a Profit for the year of ₹ 490 Lakhs and Total Comprehensive Income of ₹ 444 Lakhs during the year.

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

₹ in Lakhs

Particulars	2020-2021	2019-2020
Total Income	5953	5690
Profit Before Depreciation, Finance Costs and Tax	2784	2606
Finance Costs	73	264
Depreciation	1999	2127
Profit Before Tax	712	215
Provision for Taxation	222	(86)
Profit for the year	490	301
Total Comprehensive Income	444	37

**2 Dividend**

The Directors have recommended a dividend of 30% of PAT for the year 2020-21 which amounts to ₹ 1.47 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 01.04.2021 was ₹ 16.04 Crores as compared to ₹4.45 Crores as on 01.04.2020. During the year the company has received orders worth ₹ 52.31 Cr.

**5 Future Outlook**

The XR-5 project is in the final stages of implementation.

BELOP has initiated action to diversify into related areas and also new areas to improve business opportunities and to have variety of products in it's portfolio. As part of diversification, BELOP has signed Offset Contract with M/s Rosoboronexport, Russia on 3<sup>rd</sup> February 2021 for manufacture of aviation hoses at BELOP.

**6 MoU with Government**

BELOP has signed a Memorandum of Understanding(MoU) with it's holding company Bharat Electronics Limited (BEL). The Directors would like to inform you that for the year (2019-20) the company's performance has been rated as 'Fair'.

**7 Finance**

During the financial year 2020-21, your company has met it's 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. BEL has also committed to fund the XR-5 project cost by way of infusion of equity and by way of loan. BELOP plans to invest through internal accruals and also borrow funds to finance the Aviation Hoses project.



## 8 Credit Rating

During the year 2020-21, ICRA has assigned the following ratings to the company for the year 2020-21.

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

The long term rating of [ICRA]AA+ is with a stable outlook. These ratings indicate the high credit quality in the long- and short-term. Both the ratings are valid till 31<sup>st</sup> October 2021. These ratings will help the company in obtaining the better terms for the various working capital facilities being availed from the Consortium 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 the following activities in specific areas as outlined below:-

- ❖ Establishing Bulk Manufacture of Autogated Power Supply Unit with alternate design to overcome obsolescence of an electronic component in the existing design.
- ❖ Design of Image Intensifier System (Ultra Violet Sensitive). The system has strategic and commercial application.
- ❖ Design of Dewar Assembly for Cooled Thermal Imager applications.
- ❖ On account of the above R&D efforts, the company has progressed in identification of additional products and improving market potential of the existing products of the Company. The Company is also in the process of upgrading the existing Products, to provide better product quality and increased productivity in the manufacture and supply.

The company is also taking efforts to develop new products by using its competencies and skill.

## 11 Human Resources

Your company employed 131 persons as on 31<sup>st</sup> March 2021 as compared to 133 persons on 31<sup>st</sup> March 2020. Of these employees, 34 were executives and 5 were women employees. No employee was inducted during the year, One employee resigned during the year and one employee retired during the year.

## 12 Industrial Relations

The pay revision for non-executives is due with effect from 1<sup>st</sup> April 2017. The negotiations based on the government guidelines in respect of pay revision of non-executives in CPSE's between the Pay Revision Negotiation Committee and the Workers Union was completed and payment of arrears has been made during the year.

Industrial relations during the year were cordial.

### 13 Environment Management

BELOP maintains clean surroundings and green environment at its premises. The company also undertakes, measures for stringent pollution control, waste water treatment, zero effluent discharge, energy conservation, water conservation, systematic management and disposal of hazardous and other forms of waste.

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 got Certified for Integrated Management System, based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards from M/s TUV SUD South Asia (P) Ltd, Pune in the month of January 2019 which is valid for three years. The Annual Surveillance Audit has been conducted during 2020-21 and the above certification is confirmed.

### 15 Safety

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

During the year the following activities have been carried out:-

- ❖ Safety Audit as per IS: 14489-1998.
- ❖ Purchase & installation of Fire Extinguishers, Smoke Detectors, Manual Call Points & Fire Alarm Hooters in Unit – II Building to ensure Fire Safety.
- ❖ Installation of Earthing Pits to ensure Electrical Safety. Qty – 04 Nos.
- ❖ HPT & Refilling of Fire Extinguishers as per IS 2190:2010, Qty – 39 Nos to ensure Fire Safety.
- ❖ Provision of ESD Flooring of approx. 100 Sq.Mtrs in Production Areas.
- ❖ Periodic checking all the Safety Gadgets, PPEs being issued to the employees,
- ❖ Conduct of health check up 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.

Performance of the Vigilance Department during the year has been satisfactory. All the executives of the company have filed their Annual Property Returns (APR's) till the date mandated and 66% of the APR's have been scrutinised for block period 2018-22. Regular checkups has been conducted upto 31.03.2021. The Details of POs as per vigilance criteria are published in BELOP website since January 2020. 41 Regular checkups and 25 Surprise inspections were conducted from 01.04.2020 to 31.03.2021. The Vigilance Awareness Week 2020 was observed and competitions conducted. 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. No Purchase Order above order ₹ 200 lakhs has been placed after October 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 2019-20, the company received one request for information under the RTI Act, 2005 and the requisite information was furnished within the stipulated time.

## 21 Directorate

Mrs. Anandi Ramalingam was appointed as a Director, retiring by rotation at the 30<sup>th</sup> Annual General Meeting of the company held on 7<sup>th</sup> September 2020. In accordance with the requirements of the Companies Act, 2013 and Articles of Association of the company. Mr. Dinesh Kumar Batra retires by rotation and being eligible offers himself for re-appointment.

## 22 Board Meetings/ Change in Directors and Key Managerial Personnel

During the year four 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. Alexander Koshy	Director	Cessation on 01.08.2020	After his superannuation, his nomination as Director on BELOP Board was withdrawn by BEL. He ceased to Director of the Company w.e.f. August 01, 2020.
2	Mr. Mahesh V	Director	Cessation on 01.09.2020	After his superannuation, his nomination as Director on BELOP Board was withdrawn by BEL. He ceased to Director of the Company w.e.f. September 01, 2020
3	Mr. Dinesh Kumar Batra	Director	Appointment on 07.08.2020	Appointed initially as Additional Director in accordance to the nomination by BEL. He was reappointed as Director retiring by rotation at the 30 <sup>th</sup> AGM on 07.09.2020
4	Mr. Shivakumaran K M	Director	Appointment on 10.09.2020	Appointed as Additional Director in accordance to the nomination by BEL.

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

Mrs. Priya Iyer was the Company Secretary and Chief Financial Officer upto 25.06.2020 and Mr. P. Sarkar was appointed as Chief Financial Officer w.e.f. 26.06.2020. Mrs. Priya Iyer continues as Company Secretary.

## 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, 2021 and date of signing this report is NIL.

**27 Statutory Auditors**

The Comptroller and Auditor General of India has appointed M/s Natu & Pathak, Chartered Accountants, Pune as the statutory auditors for the year 2020-21 pursuant to the provisions of Section 139(5) of the Companies Act, 2013. The internal audit of the company for the year 2020-21 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 2020-21 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 "Nil" Comment Report of the Comptroller & Auditor General of India for the year 2020-21 under Section 143(6)(b) of the Companies Act, 2013 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 2020-21. The Secretarial Audit Report submitted by 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 report on Compliance with DPE guidelines on Corporate Governance by practising Company Secretary Mr. Abhijit Dakhawe is enclosed at **Annexure 3**. Your company has been awarded "Very Good" rating for the year 2019-20 in respect to compliance of Corporate Governance Guidelines by the Department of Public Enterprises.

**31 Compliance with applicable secretarial standards:**

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

**32 Cost Records**

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 said disclosure requirements 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 Year 2020-21 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 2020-21 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” 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 Other Disclosures**

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

**48 Sub-division of shares**

During the year, the company has sub-divided the equity shares of the company from face value of ₹ 100/- per share to ₹10/- per share.

**49 Impact of COVID-19**

In compliance to the government directives of lockdown due to COVID-19 pandemic, BELOP was closed from 23.03.2020 to 17.05.2020. Due to the above shutdown, all manufacturing activities was stopped, however as the company did not have any major orders in the first quarter there was no major impact on revenue and BELOP has not faced much disruption in it’s activities due to COVID-19 pandemic.

**50 Acknowledgement**

Your Directors place on record their appreciation for the valuable support received from all the Customers particularly the Defence Services and the para military forces and also the Ministry of Defence, Department of Defence Production and look forward to their continued support and co-operation in future. Your Directors also appreciate the co operation extended by M/s Photonis for implementation of ToT at BELOP and look forward to a continued fruitful association in future. Your Directors also appreciate the cooperation of M/s Rosoboronexport in finalising 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 it’s continued support and participation in sustaining the growth of the company in the coming years.

**For and on behalf of the Board**

**Place: - Bengaluru**  
**Date: - 18<sup>th</sup> August 2021**

**-sd-**  
**(Anandi Ramalingam)**  
**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 14001:2004, is committed to sustain the environment with growth. It maintains a green environment in its premises and has implemented various environmental management practices.

**Sustainable Development 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 & Act on quarterly basis.

**Water Pollution**

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

**Hazardous Waste Management System**

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



## Annexure No.2 to Board's Report

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year Ended 31.03.2021**

[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 **31<sup>st</sup> March 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2021** 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) 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 and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company during the audit period as the Company is an unlisted Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and.
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- (vi) As informed to me, no other law is applicable specifically 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.

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.

**I further report that** the Board of Directors of the Company is duly constituted. The Company being 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 Committee 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.

**I further report that** during the audit period –

- a) The Board of directors in its meeting held on 25<sup>th</sup> June, 2020 allotted 64438 equity shares of ₹ 100/- each on Rights basis to Bharat Electronics Limited, the Holding Company, whereby paid-up equity share capital has been increased from ₹ 83,86,25,900/- to ₹ 84,50,69,700/-.
- b) The Company in its 30<sup>th</sup> Annual General Meeting held on 7<sup>th</sup> September, 2020 approved sub-division of its Equity Share from Face Value of ₹ 100/- per share to ₹ 10/- per share.
- c) The Company as a part of its diversification plan has entered into an Offset contract (Foreign Technology Agreement) with M/s Rosoboron export, Russia for setting up the industrial facilities for manufacture of aviation hoses.

sd/-

**Yogesh Kandalgaonkar**

**Company Secretary**

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

**Unique Document Identification Number (UDIN): F006197C000415265**

**Place: Pune**

**Date: 3<sup>rd</sup> June, 2021**

***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.
7. Due to prevailing situation of Covid-19 pandemic, the audit was conducted on the basis of online verification & examination of records / information provided electronically by the Company.

**sd/-**

**Yogesh Kandalgaonkar**

**Company Secretary**

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

**Unique Document Identification Number (UDIN): F006197C000415265**

**Place: Pune**

**Date: 3<sup>rd</sup> June, 2021**

## Annexure No.3 to Board's Report

## Certificate on Corporate Governance

## The Members of BEL Optronetic Devices Limited

I have examined the compliance of conditions of Corporate Governance by **BEL Optronetic Devices Limited (CIN : U32100PN1990GOI058096)** ("the Company"), for the year ended on 31<sup>st</sup> March 2021, as per the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs).

## Opinion

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises.

However, the Company is yet to appoint the adequate number of functional Directors and Independent Directors, which results in non-compliance of Clause 3.1, 4.1.1, 4.1.2 and 5.1 of Department of Public Enterprises (DPE) Guidelines on Corporate Governance (Corresponding Clause 1.1, 1.2, 2.1(ii & iii), 2.4(iii) and 3.1(ii & iii) of Format for Grading of Central Public Sector Enterprises (CPSEs) on the basis of their Compliance of Guidelines on Corporate Governance) and the Company has not framed policy specifying training requirements for board members as required under Clause 3.7 of Department of Public Enterprises (DPE) Guidelines on Corporate Governance (Corresponding Clause 1.8(i) of Format for Grading of Central Public Sector Enterprises (CPSEs) on the basis of their Compliance of Guidelines on Corporate Governance).

It is informed that the appointment of Directors is done by Government of India for all CPSEs which are categorised in the Schedule of CPSEs. However, the Company has applied for categorisation and the application is pending with the Ministry of Defence. It is informed that the Government would fill up the vacancies of the said Functional and Independent Directors after categorisation of the Company. It is further informed that since the Directors on BELOP's Board are from the holding company, BEL, they are given training by the holding company and hence specific policy has not been framed in this regard.

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 Regulations and may not be suitable for any other purpose.

sd/-

**Abhijit Dakhawe**  
**Company Secretary**  
**FCS #6126**  
**CP No #4474**  
**UDIN : F006126C000009338**

**Place: Pune**

**Date: 2<sup>nd</sup> April 2021**

## 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)	Shri. M.V. Gowtama, Chairman (upto 30.06.2021)	CMD, BEL & Chairman, BELOP
b)	Mrs. Anandi Ramalingam (w.e.f. 01.07.2021)	CMD, BEL & Chairman, BELOP
c)	Mr. Dinesh Kumar Batra (w.e.f. 07.08.2020)	Director(Fin.), BEL & Director, BELOP
d)	Mr. Koshy Alexander (upto 31.07.2020)	Director(Fin.), BEL & Director, BELOP
e)	Mr. Shivakumaran K M (from 10.09.2020)	Director(HR), BEL & Director, BELOP
f)	Mr. Mahesh V (upto 31.08.2020)	Director(R & D), BEL & Director, BELOP
g)	Mr. M. V. Rajasekhar (w.e.f. 30.07.2021)	Director(R & D), BEL & Director, BELOP

## Meetings and Attendance

During the financial year ended 31.03.2021, four Board Meetings were held and the maximum interval between any two meetings was 96 days. The Board Meetings were held on 25.06.2020, 23.07.2020, 29.10.2020 and 20.01.2021. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other Directorships/Committee memberships held by them during 2020-21 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 7th September 2020	No. of other directorships held*	Number of Committee membership across all companies	
	Part time Directors					As Chairman	As Member
1	Mr. M.V.Gowtama	4	4	Yes	1	Nil	Nil
2	Mrs. Anandi Ramalingam	4	4	Yes	2	0	2
3	Mr. Dinesh Kumar Batra	2	2	Yes	2	2	1
4	Mr. Koshy Alexander	2	2	No	3	2	1
5	Mr. Shivakumaran K M	2	2	No	1	0	1
6	Mr. Mahesh V	2	2	No	1	0	2

● 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 2020-21. A declaration to this effect signed by the Chairman is attached to this Report.

## Audit Committee

The composition of the Company's Audit Committee is three Directors as specified in Section 177 of the Companies Act, 2013. In addition, the Statutory Auditor of the Company and the Internal Auditor attend the meetings of the Audit Committee. The Company Secretary is the Secretary to the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 7<sup>th</sup> September 2020. 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 31.03.2021, the Audit Committee met four times on 25.06.2020, 23.07.2020, 29.10.2020 and 20.01.2021.

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

1)	Mr. Dinesh Kumar Batra(w.e.f. 07.08.2020)	Chairman
2)	Mr. Koshy Alexander(upto 31.07.2020)	Chairman
3)	Mrs. Anandi Ramalingam	Member
4)	Mr. Shivakumaran K M((From 10.09.2020)	Member
5)	Mr. Mahesh V(upto 31.08.2020)	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
Mrs. Anandi Ramalingam	4	4
Mr. Dinesh Kumar Batra	2	2
Mr. Koshy Alexander	2	2
Mr. Shivakumaran K M	2	2
Mr. Mahesh V	2	2

## 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(BEOP) 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

The composition of the Nomination and Remuneration Committee is as outlined below:

1)	Mr. Shivakumaran K M(From 10.09.2020)	Chairman
2)	Mr. Mahesh V(upto 31.08.2020)	Chairman
3)	Mrs. Anandi Ramalingam	Member
4)	Mr. Dinesh Kumar Batra(w.e.f. 07.08.2020)	Member
5)	Mr. Koshy Alexander(upto 31.07.2020)	Member

During the year ended 31.03.2021 the NRC Committee met four times on 25.06.2020, 23.07.2020, 29.10.2020 and 20.01.2021.

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
Mrs. Anandi Ramalingam	4	4
Mr. Dinesh Kumar Batra	2	2
Mr. Koshy Alexander	2	2
Mr. Shivakumaran K M	2	2
Mr. Mahesh V	2	2

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

- The company shall abide by any directives issued by the Government of India in this regard.
- 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.
- The level of remuneration would meet the appropriate benchmarks and there would exist a clear relationship between performance and remuneration.
- 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) include

- 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.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause 'a'
- 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) | Mrs. Anandi Ramalingam                   | Chairman |
| 2) | Mr. Dinesh Kumar Batra(w.e.f.07.08.2020) | Member   |
| 3) | Mr. Koshy Alexander(upto 31.07.2020)     | Member   |
| 4) | Mr. Shivakumaran K M((From 10.09.2020)   | Member   |
| 5) | Mr. Mahesh V(upto 31.08.2020)            | Member   |

During the year ended 31.03.2021, the CSR Committee met four times 25.06.2020, 23.07.2020, 29.10.2020 and 20.01.2021.

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
Mrs. Anandi Ramalingam	4	4
Mr. Dinesh Kumar Batra	2	2
Mr. Koshy Alexander	2	2
Mr. Shivakumaran KM	2	2
Mr. Mahesh V	2	2

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

## Directors' Shareholding

No Director holds Equity shares in the company as on 31.03.2021.

## 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
2017-18	Registered Office	20 <sup>th</sup> September 2018 at 14.30 PM
2018-19	Registered Office	9 <sup>th</sup> September 2019 at 13.00 PM
2019-20	Through VC	7 <sup>th</sup> September 2020 at 10.00 AM

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. 7 of Note 39 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 1.70 % of the total expenses for the year 2020-21 as against 2.46 % 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 2020-21.

## 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 2021

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

## Top 10 Shareholders as on 31 March 2021

Sr.	Name	No. of Shareholders	% 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 2020-21:

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

The outlook on the long-term rating is 'stable'. These ratings are valid till 31<sup>st</sup> October 2021.

**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**

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. Your company has been awarded "Very Good" rating for the year 2019-20 in respect to compliance of Corporate Governance Guidelines by the Department of Public Enterprises.

**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](mailto:info@belop.co.in)

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**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. 14<sup>th</sup> 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 31<sup>st</sup> March 2021.

**For BEL OPTRONIC DEVICES LIMITED**

**Place: - Bengaluru**  
**Date: - 18<sup>th</sup> August 2021**

**-sd-**  
**(Anandi Ramalingam)**  
**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: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Date(s) of approval by the Board: Not Applicable
  - (f) Amount paid as advances, if any: None

For and on behalf of the Board

Place: - Bengaluru  
Date: - 18<sup>th</sup> August 2021

-sd-  
(Anandi Ramalingam)  
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, market conditions and how these impact the Company, measures taken / action plan to protect the interest of the Company;**

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

The Indian Economy in 2020, experienced a crisis in the form of COVID-19, which forced Government to resort to lockdowns which impacted the various economic and financial activities in the country. This disruption has led to the contraction of the economy and the first quarter of the GDP has contracted significantly.

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

As per National Statistical Office (NSO), the economy is expected to contract of real GDP by 7.7 % in 2020-21 as compared to a growth of 4.2% in 2019-20. The advance estimates for FY 2020-21 is expected to stage a resilient V-Shaped recovery in 2020-21. After an estimated 7.7 per cent pandemic-driven contraction in 2020-21, India's real GDP is projected to record a growth of 11.0 percent in 2021-22 and nominal GDP by 15.4 percent. However, impact of the 2<sup>nd</sup> wave of COVID-19 on economy needs to be seen in the near future.

India recorded a current account surplus of 3.1% of GDP in first half of the 2020-21 largely due to the Services Exports. However, the prospect is dependent on the Global COVID-19 outlook for the external demand normalization.

**b) 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
- BELOP manufactured IIT's approved as Buyer Nominated Equipment for all IIT's based Passive Night Vision Devices
- 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

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

a) Technology updation and R & D

BELOP has commenced supply of XD-4 I.I. Tubes through in-depth manufacturing to its customers from December 2014 onwards. The company is also making efforts for upgradation of its manufacturing & Test Infrastructure through inhouse R & D. In order to meet the requirements of further enhanced performance Tubes by the Indian Army, the Company has entered, into a ToT Agreement with M/s Photonis France SAS, France and their Sister Company, M/s Imaging Sensors International, France for the manufacture XR-5 I.I. Tubes during May 2014. The XR-5 project is nearing completion.

The Company is also making systematic efforts to diversify into associated / new products to increase the Sales / reduce the risk of incurring fixed expenditure during the period of non-receipt / delayed receipt of Customer Orders.

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.

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

a) 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.

#### **b) Cost Reduction and Indigenisation**

The company's Cost Reduction activities focus both on manufacturing and non-manufacturing areas and encompass all facets of business like production, administration, finance, services etc. The company has carried out various activities in manufacturing and sub-contract area which has resulted in increase in the quality and productivity and in consequent cost reduction.

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

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

The internal audit of the company for the year 2020-21 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.

### **C) Financial/Operational Performance**

#### **1. Strategy & Objectives**

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

- (i) To make available funds by effective cash flow management with a view to have least borrowing and consequently least interest cost;
- (ii) To 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 to the maximum extent and minimising the borrowing for working capital from banks. During the year the company has also partially repaid the working capital loan obtained from the holding company.

**2. Performance Highlights**

₹ in Lakhs

Particulars	2020-21	2019-20
Gross Sales	4075	3721
Total Expenditure Before Financing Costs	5168	5211
Profit Before Financing Costs and Tax	785	479
Operating Margin(PBIT/Gross Sales) Ratio%	19.26	12.87
Profit After Tax	490	301
No.of Days Inventory/Value of Production(DPE Method)	371	311
No. of Days Trade Receivables/Turnover	78	7
Current Ratio	1.97	1.35
Debt Equity Ratio	—	0.42

**3. Analysis of Financial performance of 2020-21**

- Turnover increased by 9.51% from ₹ 3721 Lakhs in 2019-20 to ₹ 4075 Lakhs in 2020-21.
- Value of Production has decreased by ₹ 1378 Lakhs from ₹ 4954 Lakhs in 2019-20 to ₹ 3576 Lakhs in 2020-21.
- PAT has increased by 62.79% from ₹ 301 Lakhs in 2019-20 to ₹ 490 Lakhs in 2020-21.
- PAT to Turnover Ratio in 2020-21 is 12.02%.
- Turnover per Employee has increased by 7.14% from ₹ 28 Lakhs in 2019-20 to ₹ 30 Lakhs in 2020-21.
- Earnings per share is ₹ 0.58
- Net worth has grown by 2.23% from ₹ 23528 Lakhs in 2019-20 to ₹ 24052 Lakhs in 2020-21.

**D) Development in Human Resources**

The company has provided training on technical and quality related topics of total 284.13 mandays amounting to an average of 2.16 mandays per employee.

**E) Accounting for intangible assets****a. Intangible assets**

The intangible assets of ₹ 10925 lakhs shown under Non-Current Assets in the Balance Sheet (Note No.3) consists of License Fees of ₹ 10924 lakhs incurred for the XD-4 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 grant 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.

**b. Intangible assets under development**

The intangible assets of ₹ 8564 lakhs under development showing under Non-Current Assets in the Balance Sheet (Note No.4) consists of License Fees of the XR-5 project. The XR-5 project is in the final stages of completion and the same would be capitalised and amortised over the period of the XR-5 Agreement.



## Annexure No. 7 to the Board's Report

## BOARD'S REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

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

- i) BELOP recognises its 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	Mrs. Anandi Ramalingam	Chairman	4	4
2	Mr. Dinesh Kumar Batra(w.e.f. 07.08.2020)	Member	2	2
3	Mr. Koshy Alexander(upto 31.07.2020)	Member	2	2
4	Mr. Shivakumaran K M(From 10.09.2020)	Member	2	2
5	Mr. Mahesh V(upto 31.08.2020)	Member	2	2

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://belop-india.in/csr.html>
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 required to be set-off for the financial year, if any (in ₹)	Amount available for set-off from preceding financial year (in ₹)
1.	2020-21	Nil	Nil
	<b>TOTAL</b>	Nil	Nil

6. Average net profit of the company as per section 135(5) :- ₹ 11,45,63,824
7. (a) Two percent of average net profit of the company as Per section 135(5):- ₹ 22,91,276
- (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) ₹ 22,91,276

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6).		Amount transferred to any 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
Nil	22,91,276	30.04.2021	-	-	-

Note:- In addition to the above amount, ₹ 43,13,302 pertaining to the years 2018-19 and 2019-20 has also been transferred to the Unspent CSR Account on 30.04.2021.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Construction of Primary School	Promoting Education	Yes	Maharashtra	Pune	3 yrs	66,04,578	NIL	66,04,578	Yes	Not Applicable	Not Applicable
TOTAL							66,04,578	-	66,04,578			

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

Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. NO	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
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 ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	22,91,276
(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 ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1.	2019-20	15,69,677	Nil	Not Applicable	Nil	31.03.2021	15,69,677
2.	2018-19	27,43,625	Nil	Not Applicable	Nil	31.03.2021	27,43,625
	<b>TOTAL</b>	<b>43,13,302</b>					<b>43,13,302</b>

(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)
SI. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing.
1.		Construction of primary school	2018-19	3 years	66,04,578	Nil	Nil	On going
<b>TOTAL</b>					<b>66,04,578</b>	<b>Nil</b>	<b>Nil</b>	

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

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

The company failed to spend the two percent of the average profit as there was a delay in obtaining the requisite approvals required before commencement of construction of the school due to the first wave of the pandemic. Meanwhile, the Gram Panchayat also informed that they would be allotting a larger plot for construction of the school. The MoU has been signed during June 2021 with the School Management Committee Zilla Parishad Primary School Chandoli, for construction of School at Khed Gram Panchayat, Chandoli, Khed Taluka, District Pune.

After following the due process, the tender has been awarded to the contractor for construction of the above school.

**Sd/-**

**DCN Srinivasa Rao**  
**(Chief Executive Office)**

**Sd/-**

**Anandi Ramalingam**  
**(Chairman CSR Committee)**

**Place: - Bengaluru**

**Date: - 18<sup>th</sup> August 2021**

**Annexure No.8 to the Board's Report**

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

**A CONSERVATION OF ENERGY****i) Energy conservation measures taken during the year 2020-21.**

During the year the company has not taken any energy conservation measures..

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

During the year the company has not taken any steps for utilising alternate sources of energy.

**iii) The capital investment on energy conservation equipments.**

During the year there has been no capital investment on energy conservation equipments.

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

- ❖ The ToT Project on manufacture of XR-5 Tubes is nearing completion. The major ToT Milestones have been achieved

**ii) Benefits derived as a result of the above efforts**

- ❖ Commencement of implementation of indigenous manufacturing technology for delivery of high performance I.I. Tubes, Type XR-5, to the Customers.
- ❖ Upgradation of Infrastructure for better productivity, process consistency, and process data traceability, resulting in overall Customer satisfaction and extending the life of the existing Assets

**iii) Information regarding technology imported during the last three years**

In order to meet the requirements of further enhanced performance Tubes by the Indian Army, the Company has entered during May 2014, into incremental ToT Agreement with M/s Photonis France SAS, France and their Sister Company, M/s Imaging Sensors International, France for the manufacture XR-5 I.I. Tubes. The XR-5 project is nearing completion.

**iv) Expenditure on R&D**

The Company has incurred an expenditure of approx. ₹ 12 Lakhs during the year 2020-21.

**C FOREIGN EXCHANGE EARNING AND OUTGO**

No disclosure of the foreign exchange earning and outgo is furnished on account of the notification received from the Government of India, Ministry of Company Affairs.



## **Ind AS Financial Statements – 31 March 2021**

### **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, 2021

₹ in Lakhs

Sr. No.	Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>				
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	1	5,944	6,672
	(b) Capital work-in-progress	2	5,090	5,085
	(c) Other Intangible assets	3	10,925	12,175
	(d) Intangible assets under development	4	8,564	8,513
	(e) Financial assets			
	(i) Trade Receivables	5	-	-
	(ii) Loans	6	36	36
	(iii) Other Financial Assets	7	22	75
	(f) Deferred Tax Assets (net)	21	-	134
	(g) Inventories	8	-	-
	(h) Other Non-Current Assets	9	588	577
	<b>Sub Total Non-Current Assets ((a) to (h))</b>		<b>31,169</b>	<b>33,267</b>
(2)	<b>Current Assets</b>			
	(a) Inventories	10	3,639	4,222
	(b) Financial Assets			
	(i) Trade Receivables	11	1,031	74
	(ii) Cash and Cash equivalents	12	1,492	2,625
	(iii) Bank Balances (other than (ii) above)	13	330	265
	(iv) Other Financial Assets	14	29	20
	(c) Current Tax Assets (Net)	15	218	270
	(d) Other Current Assets	16	114	369
	<b>Sub Total Current Assets ((a) to (d))</b>		<b>6,853</b>	<b>7,845</b>
	<b>TOTAL ASSETS</b>		<b>38,022</b>	<b>41,112</b>
<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>			
	(a) Equity Share Capital	17	8,451	8,386
	(b) Other Equity		15,601	15,142
	<b>Sub Total Equity ((a) + (b))</b>		<b>24,052</b>	<b>23,528</b>
	<b>LIABILITIES</b>			
(1)	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	99
	(b) Government Grants-deferred	19	10,006	11,307
	(c) Provisions	20	459	370
	(d) Deferred Tax Liabilities (net)	21	36	-
	<b>Sub Total Non-Current Liabilities ((a) to (d))</b>		<b>10,501</b>	<b>11,776</b>
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	22	-	-
	(ii) Trade Payables	24	-	-
	A) Total Outstanding Dues of Micro Enterprises and Small Enterprises		139	25
	B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		249	513
	(iii) Other Financial Liabilities	25	724	1,983
	(b) Government Grants-deferred	23	1,315	1,328
	(c) Other Current Liabilities	26	262	44
	(d) Provisions	27	780	1,915
	(e) Current Tax Liability (Net)	28	-	-
	<b>Sub Total Current Liabilities ((a) to (e))</b>		<b>3,469</b>	<b>5,808</b>
	<b>Sub Total Liabilities (1+2)</b>		<b>13,970</b>	<b>17,584</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,022</b>	<b>41,112</b>

SIGNIFICANT ACCOUNTING POLICIES AND ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

<b>As per our report attached</b>		
NATU & PATHAK Chartered Accountants Firm Reg. No. 112219 W	-sd- M.V.GOWTAMA Chairman	-sd- ANANDI RAMALINGAM Director
-sd- SHREEDHAR PATHAK Partner MEM. NO. 041994 Place: Pune Date : 14 <sup>th</sup> June 2021	-sd- DINESH KUMAR BATRA Director	-sd- SHIVAKUMARAN K M Director
-sd- DCN SRINIVASA RAO Chief Executive Officer	-sd- P. SARKAR Chief Financial Officer Place : Bengaluru Date: 4 <sup>th</sup> June, 2021	-sd- PRIYA. S. IYER Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

₹ in Lakhs

Sr. No.	Particulars	Note No.	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
I	Revenue from operations	29	5,880	5,487
II	Other income	30	73	203
III	<b>Total Income (I+II)</b>		<b>5,953</b>	<b>5,690</b>
IV	<b>Expenses</b>			
	(a) Cost of materials consumed	31	1,078	2,058
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	456	(1,233)
	(c) Employee benefit expense	33	1,223	1,409
	(d) Finance costs	34	73	264
	(e) Depreciation and amortisation expense	35	1,999	2,127
	(f) Technical Assistance Fee	36	-	250
	(g) Other expenses	37	412	600
	<b>Total expenses (IV) ((a) to (g))</b>		<b>5,241</b>	<b>5,475</b>
V	Profit before exceptional items and tax (III -IV)		712	215
VI	Exceptional items		-	-
VII	<b>Profit before tax (V-VI)</b>		<b>712</b>	<b>215</b>
VIII	Tax expense:			
	(i) Current tax		67	-
	(ii) Earlier Year Taxes		-	(52)
	(iii) Deferred tax		155	(34)
	<b>Total Tax Expenses (i+ii+iii)</b>		<b>222</b>	<b>(86)</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>490</b>	<b>301</b>
(X)	<b>Other Comprehensive Income</b>			
(A)	<b>Items that will not be reclassified to profit or loss</b>			
	(i) Remeasurements of the defined benefit plans		(64)	(264)
	(ii) Income tax effect on the above		18	-
(B)	<b>Items that will be reclassified to profit or loss</b>		-	-
	<b>Other comprehensive income for the year, net of taxes (A + B)</b>		<b>(46)</b>	<b>(264)</b>
(XI)	<b>Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>444</b>	<b>37</b>
(XII)	<b>Earning per equity share</b>			
	(1) Basic	38(1)	0.58	0.40
	(2) Diluted		0.58	0.40

SIGNIFICANT ACCOUNTING POLICIES AND ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

## As per our report attached

NATU & PATHAK  
Chartered Accountants  
Firm Reg. No. 112219 W

-sd-  
SHREEDHAR PATHAK  
Partner

MEM. NO. 041994  
Place: Pune  
Date : 14<sup>th</sup> June 2021

-sd-  
DCN SRINIVASA RAO  
Chief Executive Officer

-sd-  
M.V.GOWTAMA  
Chairman

-sd-  
DINESH KUMAR BATRA  
Director

-sd-  
P. SARKAR  
Chief Financial Officer  
Place : Bengaluru  
Date: 4<sup>th</sup> June, 2021

-sd-  
ANANDI RAMALINGAM  
Director

-sd-  
SHIVAKUMARAN K M  
Director

-sd-  
PRIYA. S. IYER  
Company Secretary

## STATEMENT OF CASH FLOW FOR THE PERIOD 01.04.2020 TO 31.03.2021

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Cash Flow From Operating Activities</b>		
Profit before tax	712	215
Adjustments for :		
Depreciation & amortisation expense	1,999	2,127
Interest Income	(71)	(193)
Finance costs	73	264
Amortisation of government grants-deferred	(1,315)	(1,338)
Remeasurements of the defined benefit plans	(64)	(264)
Adjustment for Fair Valuation of Loan	19	20
<b>Change In Operating Assets And Liabilities</b>		
(Increase) /decrease in trade receivables	(957)	882
(Increase) /decrease in inventories	584	(1,256)
Increase /(decrease) in trade payables	(150)	43
Increase /(decrease) in other financial liabilities	(103)	(1,448)
(Increase)/ decrease in other financial assets	44	8
(Increase) /decrease in other non current assets	(11)	423
(Increase) /decrease in other current assets	255	(85)
Increase /(decrease) in provisions	(1,046)	(198)
Increase/(decrease) in other current liabilities	218	(463)
<b>Cash flow from/ (used) in operations</b>	187	(1,263)
Income taxes paid	17	(451)
<b>Cash Flow Before Extraordinary Items</b>	-	-
<b>Net Cash flow from /(used) in operating activities: (A)</b>	204	(1,714)
<b>Cash Flow From Investing Activities:</b>		
Purchase of Property, Plant and Equipment	(26)	(137)
Intangibles Assets under Development	(51)	(1,497)
Investment in Term Deposits	(65)	2,177
Interest received	71	193
<b>Net cash inflow from/ (used) in from investing activities (B)</b>	(71)	736
<b>Cash Flow From Financing Activities</b>		
Proceeds/(Repayment) from borrowings- Term Loan	(1,266)	(700)
Proceeds/(Repayment) from borrowings- Working Capital	-	(622)
Finance Costs	(73)	(264)
Dividend Paid ( including tax on dividend)	-	(513)
Dividend Paid (net of TDS)	(84)	-
Proceeds from issue of shares	157	2,833
<b>Net cash inflow from/(used) in financing activities (C)</b>	(1,266)	734
<b>Net Increase/(Decrease) In Cash And Cash Equivalents ((A)+(B)+(C))</b>	(1,133)	(244)
<b>Cash and Cash Equivalents at the beginning of the year</b>	2,625	2,869
<b>Cash and cash equivalents at the end of the year</b>	1,492	2,625
<b>Reconciliation of cash and cash equivalents as per Cash flow statement</b>		
Reconciliation of cash and cash equivalents as per above comprise of following:		
Cash and cash equivalents (Note 12)	1,492	2,625
<b>Balance as per statement of cash flows</b>	1,492	2,625

## SIGNIFICANT ACCOUNTING POLICIES AND ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

<b>As per our report attached</b>		
NATU & PATHAK Chartered Accountants Firm Reg. No. 112219 W	-sd- M.V.GOWTAMA Chairman	-sd- ANANDI RAMALINGAM Director
-sd- SHREEDHAR PATHAK Partner MEM. NO. 041994 Place: Pune Date : 14 <sup>th</sup> June 2021	-sd- DINESH KUMAR BATRA Director	-sd- SHIVAKUMARAN K M Director
-sd- DCN SRINIVASA RAO Chief Executive Officer	-sd- P. SARKAR Chief Financial Officer Place : Bengaluru Date: 4 <sup>th</sup> June, 2021	-sd- PRIYA. S. IYER Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2021

## A. EQUITY SHARE CAPITAL

₹ in Lakhs

Balance as on 01.04.2020		Note No	Changes in equity capital during the year		Balance as on 31.03.2021	
No. of Shares	Amount	17	No. of Shares	Amount	No. of Shares	Amount
8,38,62,590	8,386		6,44,380	64	8,45,06,970	8,451

## B. OTHER EQUITY

₹ in Lakhs

Particulars	Note No	Reserves and Surplus		Items of Other Comprehensive Income	Other Reserves	Total Equity
		Securities Premium	Retained Earnings			
Balance as on 1st April 2020		8,879	6,458	(408)	213	15,142
Issue of Equity Shares during the year		92	-	-	-	92
Profit for the year		-	490	-	-	490
Other comprehensive income for the year (net of tax)		-	-	(46)	-	(46)
Capital Contribution on account of below market rate borrowings		-	-	-	14	14
Balance as at 31st March 2021		8,971	6,948	(454)	227	15,692
Dividends	17	-	(91)	-	-	(91)
Dividend Distribution Tax	17	-	-	-	-	-
Balance as at 31st March 2021		8,971	6,857	(454)	227	15,601

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

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

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

## As per our report attached

NATU & PATHAK  
Chartered Accountants  
Firm Reg. No. 112219 W

-sd-  
M.V.GOWTAMA  
Chairman

-sd-  
ANANDI RAMALINGAM  
Director

-sd-  
SHREEDHAR PATHAK  
Partner  
MEM. NO. 041994  
Place: Pune  
Date : 14<sup>th</sup> June 2021

-sd-  
DINESH KUMAR BATRA  
Director

-sd-  
SHIVAKUMARAN K M  
Director

-sd-  
DCN SRINIVASA RAO  
Chief Executive Officer

-sd-  
P. SARKAR  
Chief Financial Officer  
Place : Bengaluru  
Date: 4<sup>th</sup> June, 2021

-sd-  
PRIYA. S. IYER  
Company Secretary



## SIGNIFICANT 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:

1. Derivative financial instruments, if any
2. Financial assets and liabilities those are qualified to be measured at fair value.
3. 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.

**B. 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 derecognised as well as through the EIR amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**(iv) TRADE AND OTHER PAYABLES**

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

**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 IndAS 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. PROVISIONS**

- i. 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**

NATU & PATHAK  
Chartered Accountants  
Firm Reg. No. 112219 W

-sd-  
SHREEDHAR PATHAK  
Partner  
MEM. NO. 041994  
Place: Pune  
Date : 14<sup>th</sup> June 2021

-sd-  
DCN SRINIVASA RAO  
Chief Executive Officer

-sd-  
M.V.GOWTAMA  
Chairman

-sd-  
DINESH KUMAR BATRA  
Director

-sd-  
P. SARKAR  
Chief Financial Officer  
Place : Bengaluru  
Date: 4<sup>th</sup> June, 2021

-sd-  
ANANDI RAMALINGAM  
Director

-sd-  
SHIVAKUMARAN K M  
Director

-sd-  
PRIYA. S. IYER  
Company Secretary

**NOTE 1: PROPERTY, PLANT AND EQUIPMENT YEAR ENDED 31ST MARCH 2021****₹ in Lakhs**

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Value	
	As at 1st April 2020	Additions / Adjustments	Deduction / Reclassification & Adjustments	As at 31st March, 2021	As at 1st April 2020	Charge for the year	Deduction / Reclassification & Adjustments	As at 31st March, 2021
<b>OWNED ASSETS</b>								
Buildings	480	-	-	480	143	31	-	306
Plant & Machinery	9,919	15	-	9,934	3,738	687	-	5,509
Office Equipment	23	6	-	29	13	4	-	12
Electrical installation	130	-	-	130	51	15	-	64
Furniture & Fixtures	58	-	-	58	24	6	-	28
Computer Systems	41	-	-	41	27	6	-	8
<b>RIGHT OF USE ASSETS</b>								
Leasehold Land	18	-	-	18	1	-	-	17
<b>Total</b>	<b>10,669</b>	<b>21</b>	<b>-</b>	<b>10,690</b>	<b>3,997</b>	<b>749</b>	<b>-</b>	<b>5,944</b>
<b>Previous Year</b>	<b>10,607</b>	<b>62</b>	<b>-</b>	<b>10,669</b>	<b>3,120</b>	<b>877</b>	<b>-</b>	<b>6,672</b>
								<b>6,672</b>

- Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 33/- (Previous Year ₹ 33/-) which is funded out of grant under TPDUP Project.
- Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 5,611/- (Previous Year ₹ 5,611/-) which is funded out of grant received for implementation of Transfer of Technology for XD- 4 I.I. Tubes.
- Depreciation on Plant and Machinery of ₹ 687/- includes depreciation on ToT equipments (XD-4) of ₹ 520/-.
- Depreciation is provided on Straight Line Method (SLM) in accordance with Schedule II of Companies Act, 2013.
- The useful life of assets for calculation of depreciation other than those under Schedule II of the Companies Act, 2013 are as under:
  - 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.
- Additional Depreciation of 50 % and 100% has been charged on Plant & Machinery items in respect of double shift working and triple shift working respectively.
- The Company has acquired 13680 square meter of land on lease from MIDC for 95 years at a cost of ₹ 21/- on 25.11.1991 with renewable option of further 95 years on new terms and conditions.  
Cost of leasehold land capitalised is ₹ 23/- & Gross Carrying Amount is ₹ 18/-
- Depreciation on Lease Hold Land is ₹ 24,614/- wrt Current year which is rounded off.
- Refer Note No 40 for Hypothecation Note.
- Gross Carrying Value and Accumulated Depreciation includes ₹ 2,024/- (Previous Year ₹ Nil) 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 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
<b>Plant and machinery</b>			
Opening balance	5,085	5,010	
Add: Addition during the year	7	79	
Less: Amount capitalised during the year	2	4	
<b>Total</b>	<b>5,090</b>	<b>5,085</b>	

1. Plant and Machinery mainly contains LTL amounting to ₹ 4,971.

### NOTE 3 - INTANGIBLE ASSETS FOR THE YEAR ENDED 31ST MARCH 2021.

₹ in Lakhs

Particulars	Gross Carrying Amount		Accumulated Amortisation		Net Carrying Value	
	As at 1 <sup>st</sup> April 2020	Deduction / Reclassification & Adjustments	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> April 2020	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
License Fee (XD-4)	18,424	-	18,424	6,250	1,250	12,174
Computer Operating System	2	-	2	1	-	1
<b>Total</b>	<b>18,426</b>	<b>-</b>	<b>18,426</b>	<b>6,251</b>	<b>1,250</b>	<b>12,175</b>
<b>Previous Year</b>	<b>18,426</b>	<b>-</b>	<b>18,426</b>	<b>5,001</b>	<b>1,250</b>	<b>13,425</b>

1. Intangible Assets (Gross Carrying amount) includes ₹ 13,689/- (Previous Year ₹ 13,689/-) 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 ₹ 18,863/- wrt current year and previous year which is rounded off.

**NOTE 4 - INTANGIBLE ASSETS UNDER DEVELOPMENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>TOT (XR-5)</b>		
Opening balance	8,513	7,016
Add: Addition during the year	51	1,497
Less: Amount capitalised during the year	-	-
<b>Total</b>	<b>8,564</b>	<b>8,513</b>

The additions to intangible assets under development are on account of the Capitalisation of borrowing cost.

**NOTE 5 - TRADE RECEIVABLES- NON CURRENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
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	140	140
Less: Provision for doubtful debts	140	140
<b>Sub Total (1)</b>	-	-
2.From Others	20	20
Less: Provision for doubtful debts	20	20
<b>Sub Total (2)</b>	-	-
<b>Total</b>	-	-

The movement in the allowance for doubtful receivables is presented as follows:

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Balance at the beginning of the year	160	162
Expected Credit loss provision during the year	-	-
Written off during the year	-	-
Credited to Profit or Loss	-	2
Balance at the end of the year	160	160

Refer Note No 40 for Related Party Disclosure.

**NOTE 6 - LOANS- NON CURRENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Security Deposits		
- Considered Good, Secured	-	-
- Considered Good,Unsecured		
Deposits with MSEB	31	31
Deposits for water supply	1	1
Other deposits	4	4
- Significant Increase in Credit Risk		
Credit Impaired	-	-
<b>Total</b>	<b>36</b>	<b>36</b>

Refer Note No. 39 for fair value measurements

**NOTE 7 - OTHER FINANCIAL ASSETS- NON CURRENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Term deposits with more than 12 months maturity	22	71
Margin Money held With Bank	-	-
Interest Accrued on term Deposits	-	4
<b>Total</b>	<b>22</b>	<b>75</b>

1. Interest Accrued on Term Deposit of ₹ 8,226/- wrt current year is rounded off.

Refer Note No. 39 for fair value measurements

**NOTE 8 - INVENTORIES- NON CURRENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Inventories</b>		
Raw materials	6	20
Less: Provision for Non-Moving Stock	2	-
Less: Provision for obsolescence	4	20
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE 9 - OTHER NON CURRENT ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
Capital Advances		439		439
Prepaid Expenses		12		1
Advance service tax paid on (XR-5)		32		32
Advance TDS (XR-5)		48		48
<b>Advances to suppliers</b>				
Unsecured considered doubtful	22		22	
Less: Provision for doubtful advances	22	-	22	-
<b>Deposits</b>				
Deposit with Excise Authorities	-		-	
Deposit with Sales Tax Authorities	-		-	
Deposit with Court (Octroi)	14		14	
Deposit for Octroi	23		23	
Deposit with Service tax authorities	20	57	20	57
<b>Total</b>		<b>588</b>		<b>577</b>

1. Deposit with Excise Authorities of ₹ 1,000/- wrt current year & previous year is rounded off.

**NOTE 10 - INVENTORIES- CURRENT**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
Raw materials	558		679	
Goods In Transit (RMC)	-		10	
Stores & consumables	241		237	
Work- in- Progress	2,489	3,288	2,945	3,871
Machinery spares		351		351
<b>Total</b>		<b>3,639</b>		<b>4,222</b>

**Notes**

1) \* Raw material and components include ₹ -/- (Previous year ₹ -/-) being material with sub-contractors which is subject to confirmation and reconciliation.

2) 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 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Trade Receivables Considered Good, Secured	-	-
Trade Receivables Considered Good, Unsecured		
- From related party	47	73
- From others	984	1
Trade Receivable having Significant Increase in Credit Risk	-	-
Trade Receivable , Credit Impaired	-	-
<b>Total</b>	<b>1,031</b>	<b>74</b>

1. Refer Note No. 39 for fair value measurements & Classification of Financial Instruments.

2. Refer Note No 40 for Related Party Disclosure & for Security Hypothecation.

**3. 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.
- Contracts with private customers :- Advance payment before despatch of goods.
- 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.

**NOTE 12- CASH AND CASH EQUIVALENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Cash and cash equivalents		
a. Balances with banks		
In current accounts	3	14
In cash credit account	37	3
In term deposits	1,452	2,607
(Original Maturity upto 3 months)		
b. Cash and Stamps on Hand	-	1
<b>Total</b>	<b>1,492</b>	<b>2,625</b>

1. 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

2. Cash and Stamps on Hand includes ₹110/- stamps in hand wrt current year is rounded off. 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 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Balances with Banks	1,492	2,624
Cash and stamp on hand	-	1
<b>Total</b>	<b>1,492</b>	<b>2,625</b>

**NOTE 13- BANK BALANCES**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
In Term deposit (Original Maturity of more than 3 months and less than 12 months)	330	265
Margin Money Held With Bank	-	-
<b>Total</b>	<b>330</b>	<b>265</b>

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

**NOTE 14 - OTHER FINANCIAL ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Interest accrued on Term deposit	24	16
Other Receivables	-	-
Stipend receivables (trainees)	5	4
<b>Total</b>	<b>29</b>	<b>20</b>

1. Other Receivables of ₹ 39,605/- wrt current year & ₹ 7,875/- wrt previous year is rounded off.  
Refer Note No. 39 for fair value measurements

**NOTE 15 - CURRENT TAX ASSETS (NET)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Balances with Income Tax Authorities Towards Refund	215	114
Advance Payment of Income Tax	3	156
<b>Total</b>	<b>218</b>	<b>270</b>

**NOTE 16 - OTHER CURRENT ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
Prepaid expenses		16		15
Advance to suppliers		80		90
Travel advance		1		-
<b>Other Advances</b>				
Advance TDS (XR-5)		9		9
Advance service tax paid on (XR-5)		6		6
<b>Balance with revenue authorities</b>				
FBT refund due	-		-	
GST input tax credit	2		187	
GST TDS	-	2	62	249
<b>Total</b>		<b>114</b>		<b>369</b>

1. FBT refund due of ₹ 45,928/- wrt current year & previous year is rounded off.



## NOTE 17 - EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Authorised Capital:</b> 10,00,00,000/- (Previous period 10,00,00,000/-) equity shares of ₹10/- each	10,000	10,000
<b>Issued Capital:</b> 8,45,06,970 (Previous period 8,38,62,590 ) equity shares of ₹10/- each	8,451	8,386
<b>Subscribed and Paid - up Capital:</b> 8,45,06,970 (Previous period 8,38,62,590 ) equity shares of ₹10/- each fully paid up	8,451	8,386

₹ in Lakhs

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No of shares	Amount	No of shares	Amount
No of equity shares outstanding at the beginning of the year	8,38,62,590	8,386	7,22,05,430	7,220
Add: Additional equity shares issued during the year	6,44,380	64	1,16,57,160	1,166
Less: Equity Shares forfeited/Bought back during the year	-	-	-	-
No of equity shares outstanding at the end of the year	8,45,06,970	8,451	8,38,62,590	8,386

**Notes:**

- During the month of September 2020, Company has made sub division of the equity shares from face value of ₹ 100/- per share to ₹10/- per share
- Out of the above, 8,45,06,970 Equity Shares of ₹10/- each (Previous Year 8,38,62,590) 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:

₹ in Lakhs

Particulars	2020-21		2019-20	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
<b>Equity Shares:</b> Bharat Electronics Limited	8,45,06,970	100	8,38,62,590	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 <sup>st</sup> March 2021	For the Year Ended 31 <sup>st</sup> March 2020
Final Dividend for FY 2019-20 & 2018-19	91	426
Dividend Distribution Tax For FY 2019-20 & 2018-19	-	87

**NOTE 18- BORROWINGS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Loan from Related Party</b>		
<b>Bharat Electronics Limited (Holding Company)</b>		
Term Loan	-	99
<b>Total</b>	-	99

Refer Note No 40(1) (ii) for details.

Refer Note No. 39 for fair value measurements

**NOTE 19 - GOVERNMENTS GRANTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>TOT (XD-4) PROJECT</b>	10,006	11,307
<b>Total</b>	10,006	11,307

Refer Note No. 40 (5) for Government Grants

**NOTE 20 - PROVISIONS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Long-term compensated absences	459	370
<b>Total</b>	459	370

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

₹ in Lakhs

Particulars	As at 01.04.2020	Additions	Utilisation	As at 31.03.2021	
				Long-term	Short-term
Long-term compensated absences	393	99	18	459	15
<b>Total</b>	393	99	18	459	15

## NOTE 21

## I) DEFERRED TAX LIABILITIES/(ASSETS) (NET)

₹ in Lakhs

Nature of timing difference	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Deferred Tax Liabilities	837	815
Deferred Tax Assets	801	949
<b>Total</b>	<b>36</b>	<b>(134)</b>

## II) AMOUNT RECOGNISED IN STATEMENT OF PROFIT &amp; LOSS

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Income Tax Expenses</b>		
Current Tax	67	-
Add : Deferred Tax	155	(34)
Less: Earlier Year Taxes	-	(52)
<b>Income Tax Expenses</b>	<b>222</b>	<b>(86)</b>

## III) INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

₹ in Lakhs

Particulars	31.03.2021			31.03.2020		
	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	(64)	18	(46)	(264)	-	(264)
<b>Total</b>	<b>(64)</b>	<b>18</b>	<b>(46)</b>	<b>(264)</b>	<b>-</b>	<b>(264)</b>

## 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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Trade Receivables-Provision	(44)	(42)	-	-	(44)	(42)
Provision others	(143)	(260)	-	-	(143)	(260)
Employee Benefits	(132)	(102)	-	-	(132)	(102)
Intangible Assets	-	-	560	538	560	538
Trade Payables	(6)	(6)	-	-	(6)	(6)
Plant Property and Equipment	-	-	277	277	277	277
Bonus	(1)	-	-	-	(1)	-
Super Annuation	(17)	(12)	-	-	(17)	(12)
Tax Loss	-	(54)	-	-	-	(54)
MAT Credit	(458)	(473)	-	-	(458)	(473)
<b>Total</b>	<b>(801)</b>	<b>(949)</b>	<b>837</b>	<b>815</b>	<b>36</b>	<b>(134)</b>

## NOTE NO. 21

## v) Movement of Deferred Tax Assets &amp; Liabilities

₹ in Lakhs

Particulars	Balance as on 01.04.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as on 31.03.2021
Trade Receivables -Provision	(42)	(2)	-	(44)
Provision others	(260)	117	-	(143)
Employee Benefits	(102)	(30)	-	(132)
Intangible Assets	538	22	-	560
Trade Payables	(6)	-	-	(6)
Plant Property and Equipment	277	-	-	277
Bonus	-	(1)	-	(1)
Super Annuation	(12)	(5)	-	(17)
MAT Credit	(473)	-	-	(458)
Tax Loss	(54)	54	-	-
<b>Total</b>	<b>(134)</b>	<b>155</b>	<b>-</b>	<b>36</b>

MAT Credit utilised during the year is ₹ 15/-. No Impact on Profit & Loss Account

₹ in Lakhs

2019-20					
vi)	Particulars	Amount	Tax Effect	Tax Rate	
I	Tax at Normal Rate				
1	Book profit	215			
2	Tax rate @26%		56	26.00%	
	<b>Tax Provision expenses as per Books</b>				
3	Tax Provision for Current Year		-		
4	Less: Deferred Tax		(34)		
5	Earlier Year Taxes		(52)		
6	Net Provision for Taxes		(86)		
	<b>Difference (2-6)</b>		<b>142</b>	<b>66.04%</b>	
	<b>Effect of</b>				
	Non deductible Expenses		(142)	(66.04%)	
	<b>Total</b>		<b>(142)</b>	<b>(66.04%)</b>	

2020-21					
vi)	Particulars	Amount	Tax Effect	Tax Rate	
I	Tax at Normal Rate				
1	Book profit	712			
2	Tax rate @27.82%		198	27.82%	
	<b>Tax Provision expenses as per Books</b>				
3	Tax Provision for Current Year		67		
4	Add: Deferred Tax		155		
5	Earlier Year Taxes				
6	Net Provision for Taxes		222		
	<b>Difference (2-6)</b>		<b>(24)</b>	<b>(3.37%)</b>	
	<b>Effect of</b>				
	Other Expenses		24	3.37%	
	<b>Total</b>		<b>24</b>	<b>3.37%</b>	

₹ in Lakhs

## vii) TAX LOSSES CARRY FORWARD

Sr. No.	Particulars	31.03.2021	31.03.2020
1	Tax Losses Carry forward	-	209

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



## NOTE 22 - BORROWINGS

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Loan from related party</b>		
Bharat Electronics Limited (Holding Company)	-	-
<b>Total</b>	-	-

## NOTE 23 - GOVERNMENTS GRANTS

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
TOT (XD-4) PROJECT	1,315	1,328
<b>Total</b>	1,315	1,328

Refer Note No. 40 (5) for Government Grants

## NOTE 24- TRADE PAYABLES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
(1) Dues to micro and small enterprises	139	25
(2) Dues to creditors other than micro and small enterprises	249	513
<b>Total (1+2)</b>	388	538

## 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 :

₹ in Lakhs

Particulars	2020-21	2019-20
Amount due and Payable at the year end		
- Principal	-	-
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	4
- 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 ₹ Nil/- wrt current year & ₹ 22,111/- as on 31.03.2021 is rounded off.

iii) The information is given in respect of such suppliers to the extent they could be identified as a Micro & Small Enterprises on the basis of information available with the Company.

iv) Refer Note No. 39 for fair value measurements

**NOTE 25 - OTHER FINANCIAL LIABILITIES**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Current Maturities of Long Term Debt (Loan From BEL )	378	1,534
Capital Creditors	133	255
Accrued Interest on Loan from BEL	2	7
EMD Deposits	3	2
Security Deposits	50	48
Outstanding Liabilities	158	137
Interest Payable to MSME	-	-
<b>Total</b>	<b>724</b>	<b>1,983</b>

1. 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 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
<b>Movement of Contract Liabilities</b>				
Advances from Customers		70		4
<b>Statutory Dues Payable</b>				
TDS Payable	11		28	
GST Payable	167		-	
Other Statutory Dues Payable	14	192	12	40
<b>Total</b>		<b>262</b>		<b>44</b>

**2.MOVEMENT OF CONTRACT LIABILITIES.**

₹ in Lakhs

Particulars	2020-21	2019-20
<b>Opening Balance (A)</b>	4	-
Receipt of advance from Customer during the year	182	4
<b>Total - (B)</b>	182	4
Contract liability adjusted against- Revenue recognised during the year out of Opening balance.	4	-
Contract liability adjusted against- Revenue recognised during the year out of Advance received in Current Year	112	-
<b>Total -(C)</b>	116	-
<b>Grand Total ( Closing Balance ) D = ( A+B-C)</b>	<b>70</b>	<b>4</b>

**NOTE 27 - PROVISIONS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
Provision for Performance Warranty		517		1,001
<b>Provisions towards employee benefits</b>				
Long-term compensated absences	15		23	
Gratuity	125		300	
Annual incentive	121		96	
Provision for Bonus	2		2	
Pay revision -	-	263	493	914
<b>Total</b>		<b>780</b>		<b>1,915</b>

**MOVEMENT OF PROVISIONS FOR THE YEAR 2020-21****I) PROVISION FOR PERFORMANCE WARRANTY**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Carrying Amount at the beginning of the year	1,001	1,461
Add: Additional Provision made during the year	-	-
Less : Amounts Used during the year	9	41
Less : Unused amounts reversed during the year	475	419
<b>Carrying Amounts at the end of the year</b>	<b>517</b>	<b>1,001</b>

**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 24/48 months from the date of sale.

Based on the Assessment of the Management, No Provision towards warranty costs has been made during the year.

**II) PROVISIONS TOWARDS EMPLOYEE BENEFIT**

₹ in Lakhs

Particulars	Annual Incentive	Provision for Bonus	Pay Revision
Carrying Amount at the beginning of the year 01.04.2020	96	2	493
Add: Additional Provision made during the year 2020-21	74	2	-
Less : Amounts Used during the year 2020-21	37	2	254
Less : Unused amounts reversed during the year 2020-21	12	-	239
<b>Carrying Amounts at the end of the year 31.03.2021</b>	<b>121</b>	<b>2</b>	<b>-</b>

₹ in Lakhs

Particulars	Annual Incentive	Provision for Bonus	Pay Revision
Carrying Amount at the beginning of the year 01.04.2019	168	2	470
Add: Additional Provision made during the year 2019-20	2	2	153
Less : Amounts Used during the year 2019-20	74	2	130
Less : Unused amounts reversed during the year 2019-20	-	-	-
<b>Carrying Amounts at the end of the year 31.03.2020</b>	<b>96</b>	<b>2</b>	<b>493</b>

Bonus Provision towards Executives of ₹ 48,255/- has been written off during the year due to implementation of Pay Revision is rounded off

## EMPLOYEE BENEFITS

₹ in Lakhs

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 ₹ 61/- (Previous Year ₹ 36/-)
- ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprehensive Income is ₹ 64/- (Previous Year ₹ 264/-)
- iii) Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.
- iv) Gratuity plan is funded.

₹ in Lakhs

Particulars		Gratuity	
(A)	Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :	Current year	Previous Year
1	Present Value of Defined Benefit Obligation at the Beginning of the period	844	515
2	Interest Cost	57	40
3	Current Service Cost	40	24
4	Past Service Cost	-	-
5	Liability Transferred In/ Acquisitions	-	-
6	(Liability Transferred Out / Divestment)	-	-
7	Losses (gains) on Curtailment	-	-
8	Liabilities extinguished on settlements	-	-
9	(Benefit Paid Directly by the Employer)	-	-
10	(Benefit Paid From the Fund)	(12)	(4)
11	The Effect of Changes in Foreign Exchange Rates	-	-
12	Actuarial (gains) / losses on obligations -Due to Change in Demographic Assumptions	-	-
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	(2)	210
14	Actuarial (gains) / losses on obligations- Due to Experience	77	59
15	Present value of Defined Benefit Obligation as on Balance Sheet date	1,004	844

₹ in Lakhs

(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	544	369
2	Interest Income	36	29
3	Actual contributions by Employers	300	145
4	Expected contributions by Employees	-	-
5	Assets Transferred In/ Acquisitions	-	-
6	(Assets Transferred Out / Divestment)	-	-
7	(Benefit Paid From the Fund)	(12)	(4)
8	(Assets Distributed on Settlements)	-	-
9	Effects of Asset Ceiling	-	-
10	The Effect of Changes in Foreign Exchange Rates	-	-
11	Return on Plan Assets, Excluding Interest Income	11	5
12	Fair value of Plan assets at the End of the Period	879	544

₹ in Lakhs

(C)	Amount Recognised in the Balance Sheet	Current year	Previous Year
1	Present value of Plan assets at the end of the period	(1,004)	(844)
2	Fair Value of Plan assets at the end of the year	879	544
3	Funded Status [Surplus/(Defecit)]	(125)	(300)
4	Net Asset/(Liability) recognized in the Balance Sheet	(125)	(127)

₹ in Lakhs

(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 Defined Benefit Obligation at the end of the period	(1,004)	(844)
2	Fair value of plan assets at the end of the period	879	544
3	Funded status [Surplus/(Deficit)]	(125)	(300)
4	Unrecognized Past Service Costs	-	-
5	Net asset/(Liability) recognized in Balance Sheet	(125)	(300)

₹ in Lakhs

(E)	Expenses Recognised in the Statement of Profit or Loss for current Period	Current year	Previous Year
1	Current Service cost	41	25
2	Interest cost	20	11
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	-	-
7	Total expense recognised in the Statement of Profit & Loss under Contribution to Gratuity Fund	61	36

₹ in Lakhs

(F)	Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period	Current year	Previous Year
1	Acturial (Gains)/Losses on the Obligation for the period	75	269
2	Return Plan Assets, Excluding Interest Income	(11)	(5)
3	Change in Asset Ceiling	-	-
4	Net (Income)/Expenses for the Period Recognised in OCI	64	264

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

₹ in Lakhs

(H)	Principal Actuarial Assumptions :	Current year	Previous Year
1	Discount Rate (%)	6.86%	6.83%
2	Expected Return on plan assets (%)	6.86%	6.83%
3	Salary Escalation (%)	10.50%	10.50%
4	Rate of Employee Turnover	2.00%	2.00%

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



₹ in Lakhs

(I)	Sensitivity Analysis		
		Current year	Previous Year
	Projected Benefit Obligation on Current Assumptions	1,004	844
1	Delta Effect +1% Change in Rate of Discounting	(78)	(70)
2	Delta Effect -1% Change in Rate of Discounting	88	80
3	Delta Effect +1% Change in Rate of salary increase	84	76
4	Delta Effect -1% Change in Rate of salary increase	(76)	(69)
5	Delta Effect +1% Change in Rate of Employee Turnover	(16)	(15)
6	Delta Effect -1% Change in Rate of Employee Turnover	17	17

(J) Investment of Gratuity Fund is with Insurance Company

## LEAVE ENCASHMENT

### IndAS-19

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

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

The liability for payment of long term compensated absence such as annual leave valued on actuarial basis is ₹ 474/- as on 31.03.2021. The actuarial valuation has been done using PUC method.

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
Retirement Age	58 years	58 years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	10.50%
Rate of Discounting	6.86%	6.83%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

₹ in Lakhs

Current Liability:	₹ 15/-
Non Current Liability	₹ 459/-
Total	₹ 474/-

## NOTE 28 - CURRENT TAX LIABILITIES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Provision for income tax (Net of advance tax)	-	-
Interest on Income Tax	-	-
Total	-	-

## NOTE 29 - REVENUE FROM OPERATION

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
(a) Sale of products	4,032		3,697	
(b) Sale of services	43	4,075	24	3,721
(c) Other Operating Revenue				
(i) Excess Provision Written Back				
- Warranty for Replacement	474		419	
- Obsolescence Inventory	16		-	
- Others	-	490	9	428
(d) Government Grant		1,315		1,338
<b>Total Revenue (a+b+c+d)</b>		<b>5,880</b>		<b>5,487</b>

## i) Break up of revenue recognised against contracts with customers for 2020-21

₹ in Lakhs

Particulars	Government of India /PSU				Others	Total
	Defence	Non-Defence	Domestic	Exports		
					Offset Business	
Sale of Product	3,780	210	42	-	-	4,032
Income from Services	24	1	18	-	-	43
<b>Total</b>	<b>3,804</b>	<b>211</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>4,075</b>

## i) Break up of revenue recognised against contracts with customers for 2019-20

₹ in Lakhs

Particulars	Government of India /PSU				Others	Total
	Defence	Non-Defence	Domestic	Exports		
					Offset Business	
Sale of Product	3,681	-	16	-	-	3,697
Income from Services	17	7	-	-	-	24
<b>Total</b>	<b>3,698</b>	<b>7</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>3,721</b>

## ii) Reconciliation of Revenue Recognised in Statement of Profit and Loss with contract Price for 2020-21.

₹ in Lakhs

Particulars	Amount	Amount
Revenue as per Statement of P&L Account		
Sale from Products	4,032	
Income from service	43	
<b>Total ( a )</b>		<b>4,075</b>
Adjustments(b)		-
<b>Contract price (a-b)</b>		<b>4,075</b>

## ii) Reconciliation of Revenue Recognised in Statement of Profit and Loss with contract Price for 2019-20.

₹ in Lakhs

Particulars	Amount	Amount
Revenue as per Statement of P&L Account		
Sale from Products	3,697	
Income from service	24	
<b>Total ( a )</b>		<b>3,721</b>
<b>Adjustments (b)</b>		<b>-</b>
<b>Contract price (a-b)</b>		<b>3,721</b>

## 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
- Transaction price is typically determined based on contract entered into with customer.
- No non-cash consideration are received/given during the current/previous year.

## NOTE 30 - OTHER INCOME

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
Interest on term deposits	68	190
Interest others	3	3
Miscellaneous income	2	4
Sale of Scrap	-	6
<b>Total</b>	<b>73</b>	<b>203</b>

1. Scrap Sale amounting to ₹ 4,277/- wrt Current Year is rounded off.

## NOTE 31 - COST OF MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
<b>1) Raw material and components consumed</b>		
Opening stock	699	936
Add: Purchases	881	1,698
	1,580	2,634
Less : Closing stock	564	699
<b>Sub - Total (1)</b>	<b>1,016</b>	<b>1,935</b>
<b>2) Stores and consumables consumed</b>		
Opening stock	237	204
Add: Purchases	66	156
	303	360
Less : Closing stock	241	237
<b>Sub -Total (2)</b>	<b>62</b>	<b>123</b>
<b>Total (1+2)</b>	<b>1,078</b>	<b>2,058</b>

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

₹ in Lakhs

Particulars	For the yer ended 31 <sup>st</sup> March 2021		For the yer ended 31 <sup>st</sup> March 2020	
<b>Work-in Progress</b>				
Opening stock	2,945		1,712	
Closing stock	2,489	456	2,945	(1,233)
<b>Finished Goods</b>				
Opening stock	-		-	
Closing stock	-	-	-	-
<b>Total Decrease / (Increase)</b>		<b>456</b>		<b>(1,233)</b>

**NOTE 33 - EMPLOYEE BENEFIT EXPENSES**

₹ in Lakhs

Particulars	For the yer ended 31 <sup>st</sup> March 2021		For the yer ended 31 <sup>st</sup> March 2020	
Salaries and allowances		926		1,065
Leave encashment		106		181
Contribution to provident fund and other funds				
Provident fund	85		74	
Superannuation fund	17		21	
Gratuity	61		36	
Other funds	4	167	4	135
Administration and EDLI charges on PF		4		4
Staff welfare expenses		20		24
<b>Total</b>		<b>1,223</b>		<b>1,409</b>

**NOTE 34 - FINANCE COSTS**

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
Interest others	-	-
Interest on Short Term funding by BEL	21	181
Interest on Loans from BEL	23	49
Interest on Cash Credit	1	-
Interest on Income Tax	-	-
Interest levied on Delayed Payment of IGST & BCD	-	-
Interest Levied on Delayed Payment to MSME	-	-
<b>Sub-Total (1)</b>	<b>45</b>	<b>230</b>
<b>Other borrowing cost</b>		
Loan processing charges	28	34
<b>Sub-Total (2)</b>	<b>28</b>	<b>34</b>
<b>Total (1+2)</b>	<b>73</b>	<b>264</b>

1. Interest Others of ₹ 30,145/- wrt current year (Previous year ₹ 45,242/-) is rounded off.
2. Interest levied on delayed payment of IGST & BCD ₹574/- wrt current year(Previous year ₹ 8,274/-) is rounded off.
3. Interest on MSME of ₹ Nil and ₹ 366/-wrt previous year is rounded off.
4. The amount of interest capitalised on loan from BEL during the Year is ₹ 54/- (Previous year ₹ 126/-) which is not included above .Capitalisation Rate 8.01% p.a. (Previous year 7.74%p.a.)

**NOTE 35 - DEPRECIATION / AMORTISATION**

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
Depreciation on Property, Plant & Equipments	749	877
Amortisation on Intangible Assets	1,250	1,250
<b>Total</b>	<b>1,999</b>	<b>2,127</b>

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

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
Technical assistance fees	-	250
<b>Total</b>	<b>-</b>	<b>250</b>

**NOTE 37 - OTHER EXPENSES**

₹ in Lakhs

Particulars	For the year ended As at 31 <sup>st</sup> March 2021	For the year ended As at 31 <sup>st</sup> March 2020
Power and fuel	158	264
Water charges	2	3
Royalty	-	19
Travelling & conveyance	13	25
Communication	3	5
Printing and stationery	2	4
Insurance	32	15
Rates & taxes	20	21
Bank charges	7	9
Legal & professional charges	12	22
Loss on foreign exchange (net)**	9	26
Repairs		
Machinery	8	7
Building	-	13
General maintenance expenses	112	144
Bad Debts	1	-
Provision for Non-Moving Stock	2	-
CSR Expenses	23	-
Miscellaneous expenses	8	23
<b>Total</b>	<b>412</b>	<b>600</b>

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

2. Repairs to Building amounting to ₹ 48,767/- wrt Current Year is rounded off



**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 84303946 Shares.
- (c) Consequent to sub division of the equity shares from face value of ₹ 100/- per share to ₹ 10/- per share during the month of September, 2020, the earnings per share (EPS) have been adjusted for all the previous reported periods.

₹ in Lakhs

Earning Per Share	2020-21	2019-20
Earning Per Share (Basic & Diluted) from continuing Operation	0.58	0.40
Earning Per Share (Basic & Diluted) from discontinuing Operation	-	-
Amount used as the numerators in calculating basic & diluted earnings per share	490	301
Weighted average number of equity shares used in computing basic and diluted earnings per share	8,43,03,946	7,53,90,450

**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					
ii. Purpose other than (i) above	-	23	23	-	23
	-	-	-	27	27

## NOTE NO. 39

## FINANCIAL RISK MANAGEMENT

₹ in Lakhs

## (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 are received in an Export Earners Foreign Currency account (EEFC) which is then utilised for payments in USD 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 2020-21. As on 31 March 2021, there are no outstanding derivative contracts.

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

₹ in Lakhs

Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Euro	USD	Euro	USD
<b>Bank Balance</b>	-	-	-	-
₹	-	-	-	-
<b>Bank Loans - Secured</b>	-	-	-	-
₹	-	-	-	-
<b>Trade Payables</b>	4	-	8	-
₹	310	2	634	16
<b>Net Exposure i.r.o recognised assets and liabilities</b>	4	-	8	-
₹	310	2	634	16

1. Trade Payable in USD 3,461.21 wrt current year & USD 22,218 wrt previous year is rounded off. ₹ in Lakhs
2. Net Exposure in USD 3,461.21 wrt current year is rounded off & USD 22,218 wrt previous rounded off.

#### (iv) FOREIGN CURRENCY SENSITIVITY

A reasonably possible strengthening/(weakening) of the Indian Rupee against major currency Euro as at 31 March 2021 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.

₹ in Lakhs

Particulars	Impact on Profit and Equity	
	31.03.2021	31.03.2020
Currency Wise – Euro Rate Increase by 5%	-17.67	-34.62
Currency Wise –Euro Rate Decrease by 5%	17.67	34.62

#### (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.

- a) The company has been sanctioned Term loan for ₹ 4,600/- by BEL for execution of the XR-5 project. 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.
- b) BELOP has also been sanctioned fund based and non-fund based working capital limits of ₹ 4,600 by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 8.30% p.a. (Axis Bank) and 7.10% p.a. (SBI). The rate of interest charged by SBI and Axis Bank are linked to their base rate which is subject to fluctuations. Outstanding as on 31<sup>st</sup> March 2021 is NIL in respect of which interest payable is based on SBI and Axis Bank's base rate (as per the terms and conditions, both SBI and Axis Bank are eligible to reset the interest charged on periodic basis).

#### (vi) 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.

**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<sup>st</sup> March 2021****₹ 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)	378	-	-	-	-	378
III	Trade Payables	388	-	-	-	-	388
IV	Other Financial Liabilities:-						
A	Other Payable	133	-	-	-	-	133
B	Security Deposits	53	-	-	-	-	53
C	Outstanding Expenses	158	-	-	-	-	158
D	Interest On Borrowing	2	-	-	-	-	2
E	Interest On MSME	-	-	-	-	-	-

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

**As at 31<sup>st</sup> March 2020****₹ 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	-	-	-	99	-	99
II	Current Maturities of Long Term Debt (Loan from BEL)	383	383	768	-	-	1,534
III	Trade Payables	538	-	-	-	-	538
IV	Other Financial Liabilities:-						
A	Other Payable	255	-	-	-	-	255
B	Security Deposits	50	-	-	-	-	50
C	Outstanding Expenses	137	-	-	-	-	137
D	Interest On Borrowing	7	-	-	-	-	7
E	Interest On MSME	-	-	-	-	-	-

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

**(vii) 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 its short-term deposits with nationalised /scheduled commercial banks and its 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 .

**(viii) 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 and by way of loan from 2015-16 to 2020-21.

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 borrowing as on 31st March 2021 is outlined below:-

Sr. No.	Particulars	Amount Outstanding as on 31 <sup>st</sup> March 2021 ₹ in lakhs	Remarks
1	Term Loan from BEL(XR-5 Project)	378	Refer Note No. 25 of Balance Sheet.

The Gearing Ratio is given below:-

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Net debt	378	1,633
Total equity	24,052	23,528
Net debt to equity ratio	0.02	0.07



**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 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	<b>Financial Assets measured at fair value</b>	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-
	<b>Financial Assets not measured at fair value</b>						
I	Trade Receivables	-	-	1,031	-	-	74
II	<b>Loans</b>						
A	Security deposits	-	-	36	-	-	36
III	Cash and cash equivalents	-	-	1,492	-	-	2,625
IV	Other Bank Balances	-	-	330	-	-	265
V	<b>Other Financial Assets</b>						
A	Term Deposit	-	-	22	-	-	71
B	Interest On Term Deposits	-	-	24	-	-	20
	<b>Total</b>	-	-	2,935	-	-	3,091

**b. Financial Liabilities**

₹ in Lakhs

Sr.No.	Particulars	31 <sup>st</sup> March 2021			31 <sup>st</sup> March 2020		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	<b>Financial Liabilities measured at fair value</b>	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-
	<b>Financial Liabilities not measured at fair value</b>						
I	Borrowings	-	-	-	-	-	99
II	Current Maturities of Long Term Debt (Loan from BEL)	-	-	378	-	-	1,534
III	Trade Payables	-	-	388	-	-	538
IV	<b>Other Financial Liabilities</b>						
A	Other Payable	-	-	133	-	-	255
B	Security Deposits	-	-	53	-	-	50
C	Outstanding Expenses	-	-	158	-	-	137
D	Interest On Borrowing	-	-	2	-	-	7
E	Interest On MSME	-	-	-	-	-	-
	<b>Total</b>	-	-	1,112	-	-	2,620

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

## GENERAL NOTES TO ACCOUNTS

## NOTE NO. 40

₹ in Lakhs

## 1 BORROWINGS

## i) WORKING CAPITAL LOAN FROM BANKS

- a) The company has been sanctioned working capital limit of ₹ 4,600/- by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 8.30% p.a. (Axis Bank) and 7.10% p.a. (SBI).
- 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.

₹ in Lakhs

Sr. No	Particulars	31.03.2021	31.03.2020
1	Inventories	3,639	4,222
2	Trade Receivables	1,031	74
3	Cash & Cash Equivalent	1,492	2,625
4	Bank Balance	330	265
5	Other Financial Assets	29	20
6	Other Current Assets	114	369
	<b>Total Current Assets</b>	<b>6,635</b>	<b>7,575</b>

## ii) TERM LOAN FOR XR-5 PROJECT FROM BEL

BEL has sanctioned a Term Loan of ₹ 4,600/- to BELOP for XR-5 Project. After reschedulement, the principal payments are payable in 36 equal installments from August 2019. The outstanding loan amount as on 31.03.2021 is ₹ 378/- (₹ 1,633/-). 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.

## 2. DETAILS OF THE XR-5 PROJECT

The XR-5 project was under implementation during the year. The License Fees paid is shown as intangible assets under development. The technical assistance rendered under the project during the year has been charged to the Statement of Profit and Loss.

## FUNDING OF THE XR-5 PROJECT

In order to enhance the specifications of the I.I. Tubes to meet the customer requirements, BELOP has entered into an Agreement with M/s Photonis, France for ToT for XR-5 I.I. Tubes during May 2014. BEL has committed to fund the basic project cost of Euro 22.95 Million by way of infusion of equity and the balance amount of the project cost amounting to approx. ₹ 4,600/- towards related taxes and duties and towards infrastructure upgradation at BELOP by way of loan.

## RIGHTS ISSUE

During the year as part of the funding for the XR-5 project, BELOP has made rights issue for 64,438 (11,65,716) equity shares at a premium and the same has been subscribed and shares have been allotted.

## AVAILMENT OF LOAN

During the year as part of the funding for the XR-5 project, BELOP has availed loan of ₹ 267/- (₹ 320/-) (against sanctioned term loan of ₹ 4,600/-) from BEL towards funding of the XR-5 project.

## 3. SHARE SPLIT

Consequent to sub division of the equity shares from face value of Rs 100/- per share to Rs 10/- per share during the month of September, 2020, the earnings per share (EPS) have been adjusted for all the previous reported periods.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1/- (Previous Year ₹ 3/-).

## 5.DETAILS OF GRANT TRANSFER IN RESPECT OF TOT (XD-4)

₹ in Lakhs

Sr. No	Particulars	₹ in Lakhs	
		2020-21	2019-20
1	Depreciation	520	550
2	Amortization of License Fee	1,250	1,250
3	<b>Total</b>	<b>1770</b>	<b>1800</b>
4	% of Grant Transfer	74.30%	74.30%
5	<b>Grant Transfer (3*4)</b>	<b>1,315</b>	<b>1,338</b>

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% of the expenses incurred in the year 2020-21 towards ToT has been transferred to income in the Statement of Profit and Loss.

## 6. PAYMENT TO AUDITORS (NET OF GST)

₹ in Lakhs

Sr. No	Particulars	2020-21	2019-20
1	Statutory Audit Fees	1.50	1.50
	<b>Total</b>	<b>1.50</b>	<b>1.50</b>

## 7. RELATED PARTY DISCLOSURES:

₹ in Lakhs

## 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 31.03.2021		Amount Outstanding at the end of year 31.03.2020	
	2020-21	2019-20	Debit (₹)	Credit (₹)	Debit (₹)	Credit (₹)
	(₹)	(₹)				
Sales	1183	566	-	-	-	-
Purchases	-	-	-	-	-	-
Interest Paid	98	356	-	-	-	-
Internal Audit Fees	1	1	-	1	-	1
Equity Contribution (Including Securities Premium)	157	2,833	-	17,422	-	17,265
Dividend Paid	91	426	-	-	-	-
Trade Receivables**	-	-	187	-	213	-
Term Loan From BEL	-	-	-	378	-	1,633
Interest on Term Loan from BEL	-	-	-	2	-	7

\*\* Debtors includes ₹ 140/- (Previous Year ₹ 140/-) for which provision for doubtful debts has been made.

- BELOP has entered in to an agreement with BEL on 30<sup>th</sup> April 2013 for temporary funding of TOT cost by BEL for ₹ 104.16/- and as per the terms of the agreement BELOP is required to compensate BEL for the cost of Funds.
- Three Officials are on deputation from, BEL i.e. Holding Company and salaries etc is paid by the BEL Optronics Devices Limited during the year as per the terms and conditions of employment.
- BEL Optronics Devices Limited has also borne the proportionate salary paid to a vigilance officer appointed by BEL.

**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 ₹ 1002/- (previous year ₹ 20/-) is outstanding as Trade Receivables as on 31.03.2021.

**C) KEY MANAGEMENT PERSONNEL ARE AS FOLLOWS :**

₹ in Lakhs

Sr.No	Name of Key Management Personnel	Designation
1	Mr. M.V. Gowtama	CMD, BEL and Chairman, BELOP
2	Mrs. Anandi Ramalingam	Director (Mktg.), BEL and Director, BELOP
3	Mr. Koshy Alexander (upto 31.07.2020)	Director (Finance), BEL & Director, BELOP
4	Mr. Mahesh V(upto 31.08.2020)	Director (R & D), BEL & Director, BELOP
5	Mr. Dinesh Kumar Batra(From 07.08.2020)	Director (Finance), BEL & Director, BELOP
6	Mr. Shivakumaran K M (From 10.09.2020)	Director (HR), BEL & Director, BELOP
7	Mr. DCN Srinivasa Rao	Chief Executive Officer, BELOP
8	Mr. P. Sarkar (From 26.06.2020)	Chief Financial Officer, BELOP
9	Ms.Priya S. Iyer (CFO upto 25.06.2020)	Company Secretary & DGM(MS), BELOP

The above six 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	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Mr. DCN Srinivasa Rao	44	38	8	7	52	45
2	Mr. P. Sarkar	25 <sup>#</sup>	-	6 <sup>#</sup>	-	31 <sup>#</sup>	-
3	Ms.Priya S. Iyer	22	20*	3	2	25	22

# w.e.f. 26.06.2020

\*Includes arrears for the period 01.01.2017 to 31.03.2019

8. 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.
9. 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.
10. 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	2020-21	2019-20
Material	2	40
Capital Expenditure	-	-
Employee Remuneration & Benefits	10	2
<b>Gross Expenditure</b>	<b>12</b>	<b>42</b>

11. A new superannuation Scheme for it's executives with effect from 01.04.2017 has been approved by the Board and has been submitted to the Ministry of Defence for it's approval.

**12. CONTINGENT LIABILITIES**

₹ in Lakhs

Sr. No.	Particulars	For the year ended 31.03.2021 (₹)	For the year ended 31.03.2020 (₹)
a)	Outstanding Letters of Credit	-	35
b)	Outstanding Bank Guarantees(Counter Guarantee given against same by Company)	174	83
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 <sup>st</sup> March unexecuted customer orders where the delivery date has expired.	Nil	Nil
	<b>Total (a to e)</b>	<b>386</b>	<b>330</b>

**13. 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)

<b>Particulars</b>	<b>Total Amount</b>	<b>Within a Year</b>	<b>2-3 Years</b>	<b>1-2 Years</b>	<b>More than 3 years</b>
Unexecuted Order Value	1605	1605	-	-	-
<b>Total</b>	<b>1605</b>	<b>1605</b>	-	-	-

**14.** Previous year's figures have been regrouped/ reclassified where ever considered necessary. Figure in brackets relate to previous year.

**15.** All the figures in the Financial Statement are rounded off to nearest lakhs unless otherwise mentioned.



**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF BEL OPTRONIC DEVICES LIMITED****1. Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of **BEL OPTRONIC DEVICES LIMITED** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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 the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the company as at March 31, 2021, and profit, its cash flows and the changes in the equity for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the Ind AS financial statements.

**3. Responsibility of Management 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, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 Standalone Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

### **Auditor's Responsibility**

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 standards on auditing 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 Ind AS financial statements.

## **4. Report on Other Legal And Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the company.
  - (c) The Balance sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) 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**" and,

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in the Ind AS financial statements. – Refer Note 40(12) to the financial statements

- b. 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.
  - c. 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.
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 (Annexure C).

Pune,  
14<sup>th</sup> June 2021  
UDIN - 21041994AAAACJ4657

**sd/-**  
**CA. SHREEDHAR PATHAK**  
Partner  
(Membership No. 041994)  
For and on behalf of  
**NATU & PATHAK**  
Chartered Accountants  
(ICAI Firm Regn. No. 112219W)

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 5(1) under 'Report on other legal and regulatory requirements' section of our report of even date on the financial statements of BEL OPTRONIC DEVICES LIMITED)

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - a) The company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years.
  - b) In accordance with this program certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets.
  - c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable properties are held in the name of the company.
2. 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.
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 Companies Act, 2013 during the financial year. As such the provisions of clause 3(iii) of the Companies (Auditor's report) Order, 2016 are not applicable to company.
4. The Company has not given any loans, investments and guarantees, to a person specified under provisions of Section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public and as such the question of compliance with the provisions of section 73 to 76 of the Companies Act, 2013 with regards to the deposits accepted from public does not arise. Therefore, the provisions of clause 3(v) of the Companies (Auditor's report) Order, 2016 are not applicable to company.
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 the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, labour welfare fund, employees' state insurance, income tax, custom duty, goods & service tax, cess and other material statutory dues applicable to it.  
  
According to the information and explanation given to us, no undisputed amount payable in respect of provident fund, labour welfare fund, employees' state insurance, income tax, custom duty, goods & service tax and cess were in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they become payable.
  - b. According to the information and explanations given to us, there are no dues of income tax, service tax, custom duty, value added tax, goods and service tax, cess which have not been deposited on account of any dispute except service tax as specified in the table below.

According to information and explanation given to us, the following dues have not been deposited by the Company on account of dispute:

Sr. No	Nature of Dues	Forum where dispute is pending	Financial Year	31 <sup>st</sup> March, 2021
1.	Service tax	CESTAT	2014-2015	12,62,327
2.	Service tax	CESTAT	2016-2017	1,69,18,951
3.	Service tax	CESTAT	2015-2016	15,83,123

- 8 The Company has not defaulted in the repayment of loans or borrowings from financial institutions, banks, government or dues to the debenture holders.
- 9 The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- 10 To the best of our knowledge and according to the information and explanation given to us, no fraud by the company and no fraud on the company by officers or employees has been noticed or reported during the year.
- 11 According to the information and explanation given to us and based on our examination of the records of the company, the company being a Government Company (as defined in Section 2(45) of the Companies Act, 2013, Notification GSR 463(E) dated June 5, 2015) provisions of Section 197 of the said Act are not applicable to the Company.
- 12 In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13 In our opinion and according to the information and explanations given to us and of the 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 Indian Accounting Standards.
- 14 According to information and explanations given to us and based on our examinations of the records of the Company, the company has made private placement of 64,438 no. of equity shares on right basis of the face value of Rs.100/- each at premium of Rs.143/- aggregating to Rs. 92,14,634/- to Bharat Electronics Limited during the year under review.
- 15 According to information and explanations given to us and based in our examinations of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected to its directors, and hence provisions of Section 192 of Companies Act, 2013 are not applicable to the Company.
- 16 The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Pune,  
14<sup>th</sup> June 2021  
UDIN - 21041994AAAACJ4657

sd/-  
**CA. SHREEDHAR PATHAK**  
Partner  
(Membership No. 041994)  
For and on behalf of  
**NATU & PATHAK**  
Chartered Accountants  
(ICAI Firm Regn. No. 112219W)



**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 5(2)(f) under 'Report on other legal and regulatory requirements' section of our report of even date on the Standalone Ind AS Financial Statements of BEL OPTRONIC DEVICES LIMITED)

**1. 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 over financial reporting of BEL OPTRONIC DEVICES LIMITED as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**2. Management's Responsibility for Internal Financial Controls**

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

**3. Auditors' Responsibility for Internal Financial Controls**

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

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

#### 4. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

#### 5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### 6. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting. Such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Pune,  
14<sup>th</sup> June 2021  
UDIN - 21041994AAAACJ4657

sd/-  
**CA. SHREEDHAR PATHAK**  
Partner  
(Membership No. 041994)  
For and on behalf of  
**NATU & PATHAK**  
Chartered Accountants  
(ICAI Firm Regn. No. 112219W)

**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 Governments or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Based on our review of books of accounts, the company has not received any funds from central/state agencies during the year under review.

Pune,  
14<sup>th</sup> June 2021  
UDIN - 21041994AAAACJ4657

sd/-  
**CA. SHREEDHAR PATHAK**  
Partner  
(Membership No. 041994)  
For and on behalf of  
**NATU & PATHAK**  
Chartered Accountants  
(ICAI Firm Regn. No. 112219W)



भारतीय लेखापरीक्षा तथा लेखा विभाग  
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प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं धन सहाय  
लेखापरीक्षा बोर्ड का कार्यालय, बंगलूरु - 560 001.  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT and ex-Officio MEMBER, AUDIT BOARD,  
BENGALURU - 560 001.

दिनांक/ DATE 13<sup>th</sup> August 2021

To  
Sri M.V. Gowama,  
Chairman,  
M/s.BEL Optronic Devices Limited,  
Pune - 411 026.

Sir,

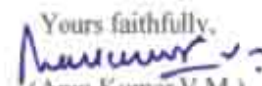
Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of M/s. BEL Optronic Devices Limited, Pune for the year ended 31 March 2021.

I forward **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statements of M/s. BEL Optronic Devices Limited, Pune for the year ended 31 March 2021.

It may please be ensured that the comments are:

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

The receipt of this letter may please be acknowledged.

Yours faithfully,  
  
(Anil Kumar V.M.)  
Dy. Director (Admin)

Encl: As above.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF M/S. BEL OPTRONIC DEVICES LIMITED, PUNE  
FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of **M/s. BEL Optronics Devices Limited, Pune** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 June 2021.

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

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

  
(Santosh Kumar) 13/08/2021

Pr. Director of Commercial Audit

Place: Bengaluru  
Date: 13 August 2021



## NOTES

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue lines across its entire width. The lines are thin and consistent in color, set against a plain white background. There are no margins, text, or other markings present on the page.

## NOTES

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of standard notebook paper. The lines are thin and light blue, set against a plain white background. There are no margins, text, or other markings on the page.

## NOTES

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue lines spaced evenly across the page, typical of notebook or legal stationery. The lines are thin and light blue, set against a plain white background. There are no margins, text, or other markings present.

## NOTES

[illegible]







## **BEL OPTRONIC DEVICES LIMITED**

Govt. of India Enterprise, Ministry of Defence  
A subsidiary of Bharat Electronics Limited (BEL)  
C. I. N. U32100PN1990GOI058096  
Regd. & Head Office : EL.-30, 'J' Block,  
Bhosari Industrial Area, Pune - 411 026 (India)  
Phone : (020) 27130981 (4 Lines),  
27130604, 27130220, 27130355  
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E-mail : [info@belop.co.in](mailto:info@belop.co.in)