



BEL OPTRONIC DEVICES LIMITED

**ANNUAL
REPORT**

2022-23

Inauguration of Aviation Hoses Manufacturing Building on 15th October 2022.



From Left to Right (Front Row) : Mr. Anil Dixit, AGM (Prod.& Maint.), BELOP, Mr. DCN Srinivasa Rao, Ex-Chief Executive Officer, BELOP, Mr. Dinesh Kumar Batra, Ex-CMD, BEL & Chairman, BELOP, Mr. Bhanu Prakash Srivastava, CMD, BEL and Chairman, BELOP, Mr. Manoj Kumar, Executive Director, BEL(NM) and Director, BELOP, Mrs. Priya Iyer, Company Secretary, BELOP and DGM(MS).

Inauguration of Primary School at Village Chandoli, in Taluka Khed under CSR activities on 15th October 2022



Left to right(Front Row): School teachers group, Shri. Dilip Dattatray Mohite, MLA Khed Constituency, Mr. Dinesh Kumar Batra, Ex-CMD, BEL & Chairman, BELOP, Mr. Bhanu Prakash Srivastava, CMD, BEL and Chairman, BELOP, Mr. Manoj Kumar, Executive Director, BEL(NM) and Director, BELOP, Mr. DCN Srinivasa Rao, Ex-Chief Executive Officer, BELOP.

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 31st JULY 2023

a)	Mr. Bhanu Prakash Srivastava	Chairman	CMD, BEL
b)	Mr. Damodar Bhattad	Director	Director (Fin), BEL
c)	Mr. Manoj Jain	Director	Director (R&D), BEL
d)	Mr. Manoj Kumar	Director	Executive Director(NM), BEL

PRINCIPAL EXECUTIVES AS ON 31st JULY 2023**CHIEF EXECUTIVE OFFICER**

Mr. DCN Srinivasa Rao

COMPANY SECRETARY

Ms. Priya Iyer

CHIEF FINANCIAL OFFICER

Mr. Parthanand Sarkar

BANKER

State Bank of India

AUDITORS**STATUTORY AUDITOR**

M/s PRASS & Associates LLP
Chartered Accountants, Pune

SECRETARIAL AUDITOR

Mr. Yogesh Kandalgaonkar
Company Secretary, Pune

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TEN YEAR FINANCIAL STATISTICS

(₹ in Millions)

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Income	1843	1242	1087	1312	1246	1204	569	595	603	812
Profit after tax	50	37	24	48	116	142	30	49	52	68
Equity capital	183	183	378	592	663	722	839	845	845	845
Reserves & Surplus	362	398	676	1014	1219	1398	1514	1560	1598	1867
Working Capital	(185)	(322)	(86)	35	221	120	204	338	442	588
Capital Employed	37	573	745	892	1024	869	871	933	966	1554
Net Worth	545	581	1055	1597	1868	2120	2353	2405	2443	2492

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 2022-23

FINANCIAL PERFORMANCE

Your company achieved a turnover of ₹ 6098 lakhs during the year 2022-23. During 2022-23, the company has posted a net profit of ₹ 676 lakhs. The Networth of the Company has increased to ₹ 24922 lakhs as on 31.03.2023, registering an increase of 2.42% mainly due to increase in profits.

DIVIDEND

Your Directors have recommended a dividend of 30% of PAT for the year 2022-23 which amounts to ₹ 203 Lakhs.

OTHER ACHIEVEMENTS

MoU Rating

Your company has been awarded "Very Good" rating for the year 2021-22 in respect of the MoU which BELOP enters with it's holding company Bharat Electronics Limited (BEL) for establishing the performance parameters and targets for each year

Credit Rating

During the year 2022-23, ICRA has assigned the following ratings to the company for the year 2022-23

- (i) Long-term rating of [ICRA]AA+(pronounced ICRA double A+) to ₹ 2200 lakhs fund based bank limits.
- (ii) Short-term rating of [ICRA]A1+ (pronounced ICRAA one plus) to ₹ 300 lakhs non-fund based bank limits.

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

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.

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

- ❖ Development of special processes, viz., Vacuum Soldering of Silicon Window with Window Shell, and Detector Carrier with Cold Platform, for Dewar Assembly for Cooled Thermal Imager applications.
- ❖ Development of a single piece Component, viz., Dewar Envelope Bottom Plate with Inner Dewar Tube and Cold Platform, in place of Sub-assembly involving joining through special processes, for Dewar Assembly applications.

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

The Company makes continuous efforts to upgrade the existing Products, to provide better product quality and increased productivity in the manufacture and supply.

FUTURE OUT LOOK

The XR-5 project has been completed on 31st March 2023.

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. The project for manufacture of aviation hoses in accordance with the Offset Contract with M/s Rosoboronexport, Russia is under implementation.

Your company has an order book position of ₹ 51.75 Crores as on 30.06.2023. However, the company expects to receive further orders and execute them during the year and is expected to achieve a sales of around ₹ 100 Crores for the year 2023-24.

CSR INITIATIVES

BELOP undertakes CSR initiatives/projects as per the Company's Corporate Social Responsibility Policy in line with Section 135 and Schedule VII of the Companies Act, 2013 & amendments thereof. BELOP is proposing to construct a primary health sub-centre in village Walad in Taluka Khed during 2023-24.

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.

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

With best Wishes,

Sincerely,

sd/-

(Bhanu Prakash Srivastava)
Chairman

Place : - Bengaluru
Date : - 31st July 2023

BOARDS' REPORT**To the Members,**

I have great pleasure in presenting to you, on behalf of the Board of Directors, the **33rd Annual Report** highlighting the Company's performance in various metrics through the period along with the Audited Accounts for the year ended 31st March 2023 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 ₹ 6098 lakhs and has made a Profit for the year of ₹ 676 Lakhs and Total Comprehensive Income of ₹ 696 Lakhs during the year.

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

₹ in Lakhs

Particulars	2022-2023	2021-2022
Total Income	8124	6033
Profit Before Depreciation, Finance Costs and Tax	2927	2787
Finance Costs	16	22
Depreciation	1997	1996
Profit Before Tax	914	769
Provision for Taxation	238	253
Profit for the year	676	516
Total Comprehensive Income	696	527

2 Dividend

The Directors have recommended a dividend of 30% of PAT for the year 2022-23 which amounts to ₹ 2.03 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 01.04.2023 was ₹ 48.35 Crores as compared to ₹ 17.71 Crores as on 01.04.2022. During the year the company has received orders worth ₹ 90.84 Cr.

5 Future Outlook

The XR-5 project has been completed on 31st March 2023.

BELOP has initiated action to diversify into related areas and also new areas to improve business opportunities and to have variety of products in its portfolio. The project for manufacture of aviation hoses in accordance with the Offset Contract with M/s Rosoboronexport, Russia is under implementation.

6 MoU with Government

BELOP has signed a Memorandum of Understanding (MoU) with its holding company Bharat Electronics Limited (BEL). The Directors would like to inform you that for the year (2021-22) the company's performance has been rated as 'Very Good'.

7 Finance

During the financial year 2022-23, your company has met its fund requirements towards incremental working capital and additional investments on upgradation of infrastructure and capital equipments mainly from internal resources. Borrowing has been minimised through close monitoring of cash flows and efficient cash management. 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 2022-23, ICRA has assigned the following ratings to the company for the year 2022-23

- (i) Long-term rating of [ICRA]AA+(pronounced ICRA double A+) to ₹ 2200 lakhs fund based bank limits.
- (ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 300 lakhs non-fund based bank limits.

The long term rating of [ICRA]AA+ is with a stable outlook. These ratings indicate the high credit quality in the long- and short-term. Both the ratings are valid till 31st March 2024. These ratings will help the company in obtaining the better terms for the various working capital facilities being availed from the Banks.

9 Deposits

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

10 Research & Development (R&D)

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

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

- Development of special processes, viz., Vacuum Soldering of Silicon Window with Window Shell, and Detector Carrier with Cold Platform, for Dewar Assembly for Cooled Thermal Imager applications.
- Development of a single piece Component, viz., Dewar Envelope Bottom Plate with Inner Dewar Tube and Cold Platform, in place of Sub-assembly involving joining through special processes, for Dewar Assembly applications.

The Company is also making efforts to develop new products by using its competencies and skills.

The Company makes continuous efforts to upgrade the existing Products, to provide better product quality and increased productivity in the manufacture and supply.

11 Human Resources

Your company employed 129 persons as on 31st March 2023 which is same as in the previous year ending 31st March 2022. Of these employees, 33 were executives and 5 were women employees. No employee was inducted during the year, no employee died, retired or resigned during the year.

12 Industrial Relations

Industrial relations during the year were cordial.

13 Environment Management

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

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

14 Quality

The company has introduced Integrated Management System, based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards. The company has got Certified for Integrated Management System, based on QMS ISO 9001:2015 and EMS ISO 14001:2015 Standards from M/s TUV India Private Ltd, Mumbai in the month of February 2023 which is valid for three years. The Recertification Audit has been conducted during 2022-23 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:-

- Conduct of Safety Audit as per IS: 14489-2018.
- Testing of Nitrogen Storage Tanks Safety Valves.
- Testing of all the Electrical Appliances including transformers, busbars, earthing pits, electrical points etc.
- AMC for Fire Hydrant System to ensure Building Fire Safety.
- Servicing of York Screw Chillers, Air Compressors..
- Removal & replacement of Old Pipe Utilities Pipe Line.
- 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 100% of the APR's have been scrutinised for block period 2018-22. Regular checkups has been conducted upto 31.03.2023. The Details of POs as per vigilance criteria are published in BELOP website since January 2020. 52 Regular checkups and 50 Surprise inspections were conducted from 01.04.2022 to 31.03.2023. The Vigilance Awareness Week 2022 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. 6 Purchase Order above order ₹ 200 lakhs has been placed during the year where IP is signed and the same has been reported to BEL-CO-VIG.

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 2022-23, no request for information under the RTI Act, 2005 was received by the company.

21 Directorate

Mr. M.V. Rajasekhar was appointed as a Director, retiring by rotation at the 32nd Annual General Meeting of the company held on 23rd August 2022.

Mrs. Anandi Ramalingam, Mr. Dinesh Kumar Batra and Mr. M.V. Rajasekhar ceased to be Directors after withdrawal of their nomination by BEL subsequent to their superannuation. The Board places on record their valuable support and guidance to the company.

Mr. Bhanu Prakash Srivastava, Mr. Manoj Jain, Mr. Manoj Kumar and Mr. Damodar Bhattad have been appointed as Additional Directors during the year. Subsequently, Mr. Bhanu Prakash Srivastava has been appointed as Chairman of the company in accordance with the Articles of Association of the company.

22 Board Meetings/ Change in Directors and Key Managerial Personnel

During the year five 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	Mrs. Anandi Ramalingam	Chairman	Cessation on 01.09.2022	Subsequent to her superannuation, her nomination was withdrawn by BEL. She ceased to be Director of the company w.e.f. 01.09.2022.
2	Mr. Dinesh Kumar Batra	Chairman	Cessation on 01.11.2022	Subsequent to his superannuation, his nomination was withdrawn by BEL. He ceased to be Chairman of the company w.e.f. 01.11.2022.
3	Mr. Bhanu Prakash Srivastava	Chairman	Appointment as Director w.e.f. 22.09.2022 and as Chairman w.e.f. 01.11.2022	Appointed as Additional Director in accordance with the nomination received from BEL and appointed as Chairman in accordance with the Articles of Association of the company
4	Mr. M.V.Rajasekhar	Director	Cessation on 01.09.2022	Subsequent to his superannuation, his nomination was withdrawn by BEL. He ceased to be Director of the company w.e.f. 01.09.2022.
5	Mr. Manoj Kumar	Director	Appointment on 11.10.2022	Appointed as Additional Director in accordance with the nomination received from BEL
6	Mr. Manoj Jain	Director	Appointment on 16.12.2022	Appointed as Additional Director in accordance with the nomination received from BEL
7	Mr. Damodar Bhattad	Director	Appointment on 10.02.2023	Appointed as Additional Director in accordance with the nomination received from 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.

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:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the directors have prepared the annual accounts on a going concern basis;
- that proper internal financial controls were in place and such financial controls were adequate and were operating effectively;
- 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 2023 and date of signing this report is NIL.

27 Statutory Auditors

The Comptroller and Auditor General of India has appointed M/s Prass & Associates, Chartered Accountants, Pune as the statutory auditors for the year 2022-23 pursuant to the provisions of Section 139(5) of the Companies Act, 2013. The internal audit of the company for the year 2022-23 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 2022-23 and their Report is placed as a part of the Annual Report. There was no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor in his Report.

The Comptroller & Auditor General of India have issued "Non-Review certificate under Section 143(6)(b)" for the year 2022-23 which is appended to this report.

29 Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Yogesh Kandalgaonkar, practising Company Secretary as the Secretarial Auditor for the year 2022-23. The Secretarial Audit Report submitted by Mr. Yogesh Kandalgaonkar is enclosed at **Annexure 2**.

The following non-compliances are stated in the Secretarial Audit report :-

During the part of the year, the number of directors on the Board were reduced below statutory minimum of three directors resulting into non-compliance of provisions of Section 149 of the Companies Act, 2013. Consequently, the composition of the Corporate Social Responsibility Committee was also reduced below the prescribed limit as per provisions of Section 135 of the Companies Act, 2013.

Explanation by the Board

It is informed by the Company that Company being a wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. Due to withdrawal of nomination of directors by BEL during the year, the number of directors on the Board reduced below the statutory minimum of three directors for part of the year. Consequently, the composition of the Corporate Social Responsibility Committee was also reduced below the prescribed limits as per the provisions of the Companies Act, 2013. The Company appointed the requisite number of directors as and when the new nominations were received from BEL and accordingly, reconstituted the Board and the Corporate Social Responsibility Committee of the Board in compliance with the relevant provisions of the Companies Act, 2013.

30 Compliance with DPE guidelines on Corporate Governance

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

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

The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee. Further, during the part of the year, the number of directors on the Board reduced below statutory minimum of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below the prescribed limits as per the DPE Guidelines. During the year, the gap between one board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines on Corporate Governance. During the period from 1st November 2022 till end of the financial year, the Audit Committee did not have a member who has expertise in accounting and financial management.

The above results in non-compliance of Clause 3.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.

Explanation by the Board :-

The appointment of Functional, Nominee and Independent Directors is done by the Government of India for all CPSEs which are categorised in the Schedule of CPSEs. The Company has applied for categorisation and the application is pending with the Department of Public Enterprises (DPE), Government of India. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorisation of the Company. Further, the Company being wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. During the part of the year, due to withdrawal of nomination of directors by BEL, the number of directors on the Board reduced below statutory minimum of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below prescribed limits as per the DPE Guidelines. The Company appointed the requisite number of directors as and when new nominations were received from BEL. Accordingly, the Board and both the Committees of the Board viz. the Audit Committee and the Remuneration Committee, were reconstituted with three directors in compliance with the DPE Guidelines. Due to above reasons and non-availability of directors, the time gap between one Board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines on Corporate Governance. Further, the Audit Committee of the Board has been reconstituted with effect from 4th April 2023 by appointing a member who has expertise in accounting and financial management.

31 Compliance with applicable secretarial standards :

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

32 Cost Records

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

33 Audit Committee

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

34 Related Party Transactions

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

35 Loans/Guarantees/Investments

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

36 Annual Return

The copy of the annual return of the Company for the Financial Years 2022-23 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 2022-23 is annexed herewith as **Annexure 7**.

44 Sustainability Report

As required under the Guidelines on "Sustainable Development" issued by the Department of Public Enterprises, Govt. of India a separate chapter on the company's efforts on "Sustainable Development" during the year 2022-23 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 Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

During the Financial Year ended 31st March, 2023 neither the Company made any application nor any proceeding against the Company is pending as per the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

49 Acknowledgement

Your Directors place on record their appreciation for the valuable support received from all the Customers particularly the Defence Services and the para military forces and also the Ministry of Defence, Department of Defence Production and look forward to their continued support and co-operation in future. Your Directors also appreciate the 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 implementation of the Offset Contract for manufacture of aviation hoses and look forward to a successful association with them in the coming years. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Chairman, Members and Employees of the Audit Board, Statutory Auditors, Company's Bankers and Vendors. Your Directors appreciate the sincere efforts put in by all the employees at all levels which enabled your company to achieve the good performance during the year. Your Directors express their appreciation and gratitude for the support received from the holding Company, M/s Bharat Electronics Limited and look forward to 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 : - 31st July 2023

sd/-
(Bhanu Prakash Srivastava)
Chairman

SUSTAINABILITY REPORT

Government of India, Department of Public Enterprises (DPE) vide Office Memorandum No. 3(9)-2010-DPE (MoU) dated 23rd 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 it's 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 company has upgraded its ETP plant to meet the requirements of Zero Liquid Discharge (ZLD) to meet the latest MPCB norms. This has also enabled to company to re-use the treated water for processes, resulting in less consumption of natural resources.

Hazardous Waste Management System

The company is disposing its Hazardous Waste as per Hazardous Waste Rules 2019, to MPCB authorised recycler. 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.

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended 31.03.2023

[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 Optronics 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 Optronics Limited (CIN: U32100PN1990GOI058096)**, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Not applicable to the Company during the audit period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (During the year under review not applicable to the Company as the Company does not have any foreign direct investment, overseas direct investment and external commercial borrowings);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Not applicable to the Company during the audit period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);
- (vi) As informed to me, no other specific laws were applicable to the Company during the audit period.

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

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

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

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

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

- a) The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee. During the part of the year, the number of directors on the Board were reduced below minimum limit of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below the prescribed limits as per the DPE Guidelines on Corporate Governance. During the year, the gap between one board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines. During the period from 1st November 2022 till end of the financial year, the Audit Committee did not have a member who has expertise in accounting and financial management.

The above results in non-compliance of Clause 3.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.

It is informed by the Company that the appointment of Functional, Nominee and Independent Directors is done by the Government of India for all CPSEs which are categorised in the Schedule of CPSEs. The Company has applied for categorisation and the application is pending with the Department of Public Enterprises (DPE), Government of India. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorisation of the Company. The Company being a wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. During the part of the year, due to withdrawal of nomination of directors by BEL, the number of directors on the Board were reduced below minimum limit of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below prescribed limits as per the DPE Guidelines. The Company appointed the requisite number of directors as and when new nominations were received from BEL and reconstituted the Board and both the Committees of the Board viz. the Audit Committee and the Remuneration Committee, with three directors in compliance with the DPE Guidelines. Due to above reasons and non-availability of directors, the time gap between one Board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines on Corporate Governance. Further, the Audit Committee of the Board has been reconstituted with effect from 4th April 2023 by appointing a member who has expertise in accounting and financial management.

- b) During the part of the year, the number of directors on the Board were reduced below minimum limit of three directors resulting into non-compliance of provisions of Section 149 of the Companies Act, 2013. Consequently, the composition of the Corporate Social Responsibility Committee was also reduced below the prescribed limit as per provisions of Section 135 of the Companies Act, 2013.

It is informed by the Company that Company being a wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. Due to withdrawal of nomination of directors by BEL during the year, the number of directors on the Board were reduced below the minimum limit of three directors for part of the year. Consequently, the composition of the Corporate Social Responsibility Committee was also reduced below the prescribed limits as per the provisions of the Companies Act, 2013. The Company appointed the requisite number of directors as and when the new nominations were received from BEL and accordingly, reconstituted the Board and the Corporate Social Responsibility Committee of the Board in compliance with the relevant provisions of the Companies Act, 2013.

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

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

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

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

I further report that during the audit period –

- a) The Board of directors in its meeting held on 11th January 2023 approved issue of 87,16,850 equity shares of ₹ 10/- each on Rights basis to existing shareholders of the Company. The Holding Company, Bharat Electronics Limited, fully subscribed to the offered shares. However, the allotment of shares was pending as at the end of the financial year 2022-23. The Board of directors in its meeting held on 4th April 2023 allotted 87,16,850 equity shares of ₹ 10/- each on Rights basis to Bharat Electronics Limited, the Holding Company, accordingly the paid-up equity share capital has been increased from ₹ 84,50,69,700/- to ₹ 93,22,38,200/-

Sd/-

Yogesh Kandalgaonkar

Company Secretary

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

Unique Document Identification Number (UDIN): F006197E000289150

Peer Review Certificate Number: 2620/2022

Place: Pune

Date: May 12, 2023

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 Optronics 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.

Sd/-

Yogesh Kandalgaonkar
Company Secretary
FCS No. 6197, C. P. No. 20316
Unique Document Identification Number (UDIN) : F006197E000289150
Peer Review Certificate Number: 2620/2022

Place : Pune

Date: May 12, 2023

Certificate on Corporate Governance

The Members of BEL Optronics Limited,

I have examined the compliance of conditions of Corporate Governance by **BEL Optronics Limited (CIN: U32100PN1990GOI058096)** ("the Company"), for the year ended on 31st March 2023, as per the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.

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

Opinion

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

The Company is yet to appoint the adequate number of Functional, Nominee and Independent Directors, and accordingly unable to reconstitute the composition of the Board of Directors, Audit Committee and Remuneration Committee. Further, during the part of the year, the number of directors on the Board reduced below statutory minimum of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below the prescribed limits as per the DPE Guidelines. During the year, the gap between one board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines on Corporate Governance. During the period from 1st November 2022 till end of the financial year, the Audit Committee did not have a member who has expertise in accounting and financial management.

The above results in non-compliance of Clause 3.1, 3.3.1, 4.1.1, 4.1.2, 4.1.3, 4.4 and 5.1 of the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), Government of India.

It is informed that the appointment of Functional, Nominee and Independent Directors is done by the Government of India for all CPSEs which are categorised in the Schedule of CPSEs. The Company has applied for categorisation and the application is pending with the Department of Public Enterprises (DPE), Government of India. The Government of India would fill up the vacancies of the said Functional, Nominee and Independent Directors after categorisation of the Company. Further, the Company being wholly owned subsidiary of Bharat Electronics Limited (BEL), all the directors of the Company are nominated by BEL. During the part of the year, due to withdrawal of nomination of directors by BEL, the number of directors on the Board reduced below statutory minimum of three directors. Consequently, the composition of the Audit Committee and the Remuneration Committee was also reduced below prescribed limits as per the DPE Guidelines. The Company appointed the requisite number of directors as and when new nominations were received from BEL. Accordingly, the Board and both the Committees of the Board viz. the Audit Committee and the Remuneration Committee, were reconstituted with three directors in compliance with the DPE Guidelines. Due to above reasons and non-availability of directors, the time gap between one board meeting and Audit Committee meeting on one occasion exceeded the time gap as prescribed under the DPE Guidelines on Corporate Governance. Further, the Audit Committee of the Board has been reconstituted with effect from 4th April 2023 by appointing a member who has expertise in accounting and financial management.

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

Restrictions on use

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

sd/-

Yogesh Kandalgaonkar

Company Secretary

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

Unique Document Identification Number (UDIN): F006197E000028111

Place: Pune

Date: 6th April 2023

Annexure No. 4 to the Board's Report

CORPORATE GOVERNANCE REPORT

Philosophy and Code of Governance

BELOP's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision-making and avoiding conflicts of interest. BELOP believes in customer satisfaction, financial prudence and commitment to values. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance philosophy.

Board of Directors

Composition

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

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

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

a)	Mr. Bhanu Prakash Srivastava, Chairman (Director w.e.f. 22.09.2022 and Chairman w.e.f. 01.11.2022)	CMD, BEL & Chairman, BELOP
b)	Mr. Dinesh Kumar Batra (Director from 07.08.2020 & Chairman from 01.09.2022 to 31.10.2022)	CMD, BEL & Chairman, BELOP
b)	Mrs. Anandi Ramalingam, Chairman (upto 31.08.2022)	CMD, BEL & Chairman, BEL
c)	Mr. Manoj Kumar (w.e.f. 11.10.2022)	ED(NM), BEL & Director, BELOP
d)	Mr. Manoj Jain (w.e.f. 16.12.2022)	Director(R & D), BEL & Director, BELOP
e)	Mr. Damodar Bhattad (w.e.f. 10.02.2023)	Director(F), BEL & Director, BELOP
f)	Mr. M.V. Rajasekhar (upto 31.08.2022)	Director(R & D), BEL & Director, BELOP

Meetings and Attendance

During the financial year ended 31.03.2023, five Board Meetings were held and the maximum interval between any two meetings was 95 days. The Board Meetings were held on 08.04.2022, 16.05.2022, 13.07.2022, 15.10.2022 and 11.01.2023. 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 2022-23 etc. are given below:-

Sr. No.	Directors	Meetings held during respective tenure of Director	No. of Board Meetings attended	Attendance at the last AGM held on 24 th September 2022	No. of other directorships held*	Number of Committee membership across all companies	
	Part time Directors					As Chairman	As Member
1	Mr. Bhanu Prakash Srivastava	2	2	N	3	0	2
2	Mrs. Anandi Ramalingam	3	1	Y	1	0	2
3	Mr. Dinesh Kumar Batra	4	4	Y	2	2	1
4	Mr. Manoj Jain	1	1	N	3	0	1
5	Mr. Manoj Kumar	2	2	N	0	0	1
6	Mr. Damodar Bhattad	0	0	N	2	2	1
7	Mr. M.V. Rajasekhar	3	3	Y	3	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 2022-23. A declaration to this effect signed by the Chairman is attached to this Report.

Committees of the Board of Directors

Audit Committee

The composition of the Company's Audit Committee is three Directors as specified in Section 177 of the Companies Act, 2013. In addition, the Statutory Auditor of the Company and the Internal Auditor attend the meetings of the Audit Committee. The Company Secretary is the Secretary to the Audit Committee. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 23rd August 2022. 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 31.03.2023, the Audit Committee met four times on 16.05.2022, 13.07.2022, 15.10.2022 and 11.01.2023.

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

1)	Mr. Manoj Jain (Chairman w.e.f. 05.01.2023)	Chairman
2)	Mr. Dinesh Kumar Batra (upto 31.10.2022)	Chairman
3)	Mrs. Anandi Ramalingam (upto 31.08.2022)	Member
4)	Mr. M.V. Rajasekhar (upto 31.08.2022)	Member
5)	Mr. Manoj Kumar (w.e.f. 14.10.2022)	Member
6)	Mr. Bhanu Praksh Srivastava (w.e.f. 14.10.2022)	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	2	0
Mr. Dinesh Kumar Batra	3	3
Mr. M.V. Rajasekhar	2	2
Mr. Bhanu Prakash Srivastava	2	2
Mr. Manoj Kumar	2	2
Mr. Manoj Jain	1	1

Risk Management

The company has put in place a comprehensive 'Risk Management Framework' for the continuous identification, updation, evaluation, prioritization and management of risks. Under this framework, at Apex Level there is Risk Management Committee(RMC) headed by the Chief Executive Officer(BELOP) and members drawn from important functional areas like manufacturing, Marketing, Design and Engineering, Finance and HR. The Risk Champion (RC) is at the level of Sr.DGM. The RMC reviews the risk management efforts in the company as a whole in a quarterly basis. The RMC submits quarterly report to the management and the Audit Committee. The company reports about the status of RM to the Board annually.

Nomination and Remuneration Committee

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

1)	Mr. Bhanu Prakash Srivastava (Chairman w.e.f. 14.10.2022)	Chairman
2)	Mr. M.V. Rajasekhar (Chairman upto 31.08.2022)	Chairman
3)	Mr. Dinesh Kumar Batra (upto 31.10.2022)	Member
4)	Mrs. Anandi Ramalingam (upto 31.08.2022)	Member
5)	Mr. Manoj Kumar (w.e.f. 14.10.2022)	Member
6)	Mr. Manoj Jain (w.e.f. 05.01.2023)	Member

During the year ended 31.03.2023 the NRC Committee met five times on 08.04.2022, 16.05.2022, 13.07.2022, 15.10.2022 and 11.01.2023.

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	3	1
Mr. Dinesh Kumar Batra	4	4
Mr. M.V. Rajasekhar	3	2
Mr. Bhanu Prakash Srivastava	2	2
Mr. Manoj Kumar	2	2
Mr. Manoj Jain	1	1

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 its 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 of the Companies Act, 2013.
- 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)	Mr. Bhanu Praksh Srivastava (Chairman w.e.f. 05.01.2023 & Member w.e.f. 14.10.22)	Chairman
2)	Mrs. Anandi Ramalingam (upto 31.08.2022)	Chairman
3)	Mr. Dinesh Kumar Batra (upto 31.10.2022)	Member
4)	Mr. M.V. Rajasekhar (upto 31.08.2022)	Member
5)	Mr. Manoj Kumar (w.e.f. 14.10.2022)	Member
6)	Mr. Manoj Jain (w.e.f. 05.01.2023)	Member

During the year ended 31.03.2023 the CSR Committee met four times on 16.05.2022, 13.07.2022, 15.10.2022 and 11.01.2023.

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	2	0
Mr. Dinesh Kumar Batra	3	3
Mr. M.V. Rajasekhar	2	2
Mr. Bhanu Prakash Srivastava	2	2
Mr. Manoj Kumar	2	2
Mr. Manoj Jain	1	1

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

Directors' Shareholding

No Director holds Equity shares in the company as on 31.03.2023.

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
2019-20	Through VC	7 th September 2020 at 10.00 AM
2020-21	Through VC	24 th September 2021 at 14.30 PM
2021-22	Through VC	23 rd August 2022 at 10.45AM

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

Disclosures

- (a) The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in point No. 8 of Note 40 of Notes to Accounts in the Annual Report.
- (b) No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.
- (c) No items of expenditure, other than those directly related to its business or incidental thereto, and those spent towards the welfare of its employees/ex-employees, were debited in books of accounts.
- (d) Administrative and office expenses as a percentage of total expenses and reasons for increase, if any:

Administrative and office expenses were 1.66 % of the total expenses for the year 2022-23 as against 2.14 % in the previous year.

MCA-21 Compliance

The e-governance initiative of the Ministry of Corporate Affairs in the administration of the Companies Act, 1956 (MCA-21) provides the public, corporate entities and others an easy and secure online access to the corporate information including the filing of documents and public access to the information required to be in public domain under the statute, at any time and from anywhere. The Company has complied with all mandatory e-filing requirements under MCA-21, during 2022-23.

Presidential Directives and Guidelines

The company is required to follow the Presidential Directives and guidelines issued by the Government of India from time to time regarding reservation for SC's, ST's and OBC's in letter and spirit. The company has implemented the above presidential directives and guidelines including appointment of Liaison Officer for SC/ST & OBC.

Shareholding Pattern as on 31 March 2023

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 2023

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 2022-23:

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

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

CEO/CFO Certification

In terms of the requirements of DPE Guidelines, the CEO/CFO certificate has been obtained and placed before the Audit Committee and the Board and is provided in this Annual report.

Compliance of Corporate Governance Guidelines

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

The DPE guidelines on Corporate Governance for CPSEs provide that the CPSEs would be graded on the basis of their compliance with the guidelines. BELOP has been given "Excellent Rating" by DPE for the years 2020-21 and 2021-22 in respect to compliance of Corporate Governance guidelines by the Department of Public Enterprises is awaited.

Registered Office/Address for Correspondence

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

Declaration

Pursuant to the Department of Public Enterprises(DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises as contained in the DPE OM No. 18(8)/2005-GM dt. 14th May 2010, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members, KMP's & Senior Management of BEL Optronic Devices Limited for the year ended 31st March 2023.

For BEL OPTRONIC DEVICES LIMITED

Place : - Bengaluru
Date : - 31st July 2023

sd/-
(Bhanu Prakash Srivastava)
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 : NotApplicable
- (b) Nature of contracts/arrangements/transactions : NotApplicable
- (c) Duration of the contracts/arrangements/transactions : NotApplicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any : NotApplicable
- (e) Justification for entering into such contracts or arrangements or transactions : NotApplicable
- (f) Date(s) of approval by the Board: NotApplicable
- (g) Amount paid as advances, if any: NotApplicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship: Holding Company – Bharat Electronics Limited
- (b) Nature of contracts/arrangements/transactions: Sale of goods and services
- (c) Duration of the contracts/arrangements/transactions: 2022-23
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ 1022.00 lakhs
- (e) Date(s) of approval by the Board: NotApplicable
- (f) Amount paid as advances, if any: None

For and on behalf of the Board

Place : - Bengaluru
Date : - 31st July 2023

sd/-
(Bhanu Prakash Srivastava)
Chairman

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

In the third decade of this millennium, at least three economic shocks have hit the global economy since 2020 with the pandemic-induced contraction of the global output, followed by the war situation witnessed by the world where giant global powers appear to be stacked against each other leading to a worldwide surge in inflation, and synchronised policy rate hikes by central banks across the economies in a bid to curb inflation. Indian economy, however, appears largely unscathed by the impact of these economic shocks. The Indian economy, after manifesting initial signs of sluggishness, appears to have moved on after its encounter with the pandemic, staging a turnaround in FY 2021-22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY 2022-23.

The year FY 2022-23 so far for India has reinforced the country's belief in its economic resilience. The economy has withstood the global economic challenges while maintaining its growth momentum in the process. The forecast by the National Statistical Office (NSO), growth of the Indian economy broadly lies in the range of 6.5-7.0% in FY 2022-23 which is higher than almost all the major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic.

Even as India's outlook remains bright, global economic prospects for the next year have been weighed down by the combination of a unique set of challenges expected. The Economic Survey 2022-23 projects a baseline GDP growth of 6.5% in real terms in FY 2023-24, which is broadly comparable to the estimates provided by other agencies such as the World Bank, IMF, RBI, etc. The actual outcome for real GDP growth will probably lie in the range of 6.0% to 6.8%, depending on the trajectory of economic and political developments globally.

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 Image Intensifier Tubes approved as Buyer Nominated Equipment for all Image Intensifier Tubes 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

b) Major initiatives undertaken and planned to ensure sustained performance and growth:**i) 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 in-house 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 XR5 ToT Project final Milestone has been completed during the Year.

The Company is in discussions with M/s Photonis, France for ToT for Type 4G I.I. Tube having FoM 1800 – 2100.

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.

ii) Diversification

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

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

The Company has an established Risk Management Policy, which outlines a framework for risk identification, evaluation, prioritization and treatment of various risks associated with different areas of operation such as technology, product, market, human resources, finance and other operations. The company has put in place a comprehensive 'Risk Management Framework' for the continuous identification, updation, evaluation, prioritization and management of risks. Under this framework, at Apex Level there is Risk Management Committee(RMC) headed by the Chief Executive Officer(BELOP) and members drawn from important functional areas like manufacturing, Marketing, Design and Engineering, Finance and HR.

The Risk Champion (RC) is at the level of Sr. DGM. The RMC reviews the risk management efforts in the company as a whole on a quarterly basis. The RMC submits quarterly report to the management and the Audit Committee. The company reports about the status of RM to the Board annually.

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

ii) Cost Reduction and Indigenisation

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

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 2022-23 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 and there was no borrowing for working capital from banks.

2. Performance Highlights

₹ in Lakhs

Particulars	2022-23	2021-22
Gross Sales	6098	4586
Total Expenditure Before Financing Costs	7194	5242
Profit Before Financing Costs and Tax	930	791
Operating Margin(PBIT/Gross Sales) Ratio%	15.25	17.25
Profit After Tax	676	516
No.of Days Inventory/Value of Production(DPE Method)	233	292
No. of Days Trade Receivables/Turnover	50	7
Current Ratio	2.10	2.46
Debt Equity Ratio	—	—

3. Analysis of Financial performance of 2022-23

- Turnover increased by 32.97% from ₹ 4586 Lakhs in 2021-22 to ₹ 6098 Lakhs in 2022-23.
- Value of Production has increased by ₹ 1593 lakhs from ₹ 4290 Lakhs in 2021-22 to ₹ 5883 Lakhs in 2022-23.
- PAT has increased by 31.01% from ₹ 516 Lakhs in 2021-22 to ₹ 676 Lakhs in 2022-23.
- PAT to Turnover Ratio in 2022-23 is 11.09%.
- Turnover per Employee has increased by 34.29% from ₹ 35 Lakhs in 2021-22 to ₹ 47 Lakhs in 2022-23.
- Earnings per share is ₹ 0.80
- Net worth has grown by 2.42% from ₹ 24332 Lakhs in 2021-22 to ₹ 24922 Lakhs in 2022-23.

D) Development in Human Resources

The company has provided training on technical and quality related topics of total 339.50 mandays amounting to an average of 2.63 mandays per employee.

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

The intangible assets of ₹ 19265 lakhs shown under Non-Current Assets in the Balance Sheet (Note No.3) consists of License Fees of ₹ 8424 lakhs incurred for the XD-4 project and ₹ 10840 incurred for the XR5 project. These license fees are being amortised over a period of 15 years (Term of the License Agreement). The XD-4 project was funded by the MoD, to the extent of 74.30%. As per the company's accounting policy grants from government are measured at fair value and initially recognised as Deferred Income. The amount lying in Deferred Income is transferred each year to the credit of Statement of Profit and Loss in proportion to the depreciation/amortisation charged on the respective assets in the ratio of the funding to the total sanctioned cost limited to the government grant received.

b. Intangible assets under development

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

Annexure No. 7 to the Board's Report

BOARD'S REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company :

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

2. Composition of CSR Committee :

Sl. NO.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1	Mrs. Anandi Ramalingam (upto 31.08.2022)	Chairman	2	0
2	Mr. Dinesh Kumar Batra (w.e.f. 14.10.2022 to 31.10.2022)	Chairman	3	3
3	Mr. Bhanu Prakash Srivastava(Member w.e.f. 14.10.2022 and Chairman w.e.f. 05.01.2023)	Chairman	2	2
4	Mr. M.V. Rajasekhar(upto 31.08.2022)	Member	2	2
5	Mr. Manoj Kumar (w.e.f 14.10.2022)	Member	2	2
6	Mr. Manoj Jain (w.e.f. 05.01.2023)	Member	1	1

3. Provide the web-link where Composition of CSR Committee, CSR policy and CSR projects approved by The board are disclosed on the website of the company. <https://www.belop-india.in>

4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 Of the Companies (Corporate Social responsibility policy) Rules, 2014, if applicable (attach the report). Not Applicable

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

Sl.NO.	Financial Year (in ₹)	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2022-23	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the company as per section 135(5) :- ₹ 5,73,02,355/-
7. (a) Two percent of average net profit of the company as Per section 135(5):- ₹ 11,46,047/-
- (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) ₹ 11,46,047/-

1.(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
67,99,025	11,46,047	27.04.2023	-	-	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	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	78,84,644	62,45,877	0	Yes	Not Applicable	Not Applicable
2	Supply of medical equipments	Promoting health-care	Yes	Maharashtra	Pune	3 yrs	5,53,148	5,53,148	0	Yes	Not Applicable	Not Applicable
3	Supply of sanitary napkin vending & disposable machine	Promoting health-care	Yes	Maharashtra	Pune	3 yrs	65,741	0	0	Yes	Not Applicable	Not Applicable
4	Construction of primary health care sub-centre and supply of essential equipment	Promoting health-care	Yes	Maharashtra	Pune	3 yrs	11,46,047	0	11,46,047	Yes	Not Applicable	Not Applicable
		TOTAL					96,49,580	67,99,025	11,46,047			

Note:- Out of the allocated funds for construction of primary school ₹ 62,45,877 was spent during 2022-23 and ₹ 16,38,767 was spent during 2021-22.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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

Sl. NO.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	11,46,047
(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:

Sl.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	26,74,535	26,74,535	Not Applicable	Nil	-	0
2.	2020-21	22,91,276	22,91,276	Not Applicable	Nil	-	0
3.	2021-22	18,98,955	18,33,214	Not Applicable	Nil	-	65,741
	TOTAL	68,64,766	67,99,025			-	65,741

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
1		Construction of primary school	2018-19	3 years	78,84,644	62,45,877	78,84,644	Completed
2		Supply of Medical Equipments	2021-22	3 years	6,18,889	5,53,148	5,53,148	Partially Completed
TOTAL					85,03,533	67,99,025	84,37,792	

- | | | |
|-----|---|----------------|
| 1. | 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 |
2. 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 had approached the district authorities for finalizing the location for construction of the primary health care sub-centre and some time was required to evaluate and finalise the suitable location. It is now proposed to construct the primary health care centre in the Village Walad, in Taluka Khed. The same is expected to be completed by March 2024 and the funds would be utilised in 2023-24.

Place : - Bengaluru
Date : - 31st July 2023

sd/-
DCN Srinivasa Rao
(Chief Executive Office)

sd/-
Bhanu Prakash Srivastava
(Chairman CSR Committee)

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 2022-23.**

During the year company has Installed Recess Mounted LED Light Fittings to replace LED PLL fittings in Production Area , results in saving of Rs 0.14 Lakhs per Annum in running cost.

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 has been completed.

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 has been completed.

iv) Expenditure on R & D

The Company has incurred an expenditure of approx. ₹ 22.00 Lakhs during the year 2022-23.

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 – 31st March 2023

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, 2023

₹ in Lakhs

Sr. No.	Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS				
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	1	9,654	5,241
	(b) Capital work-in-progress	2	352	5,151
	(c) Other Intangible assets	3	19,265	9,676
	(d) Intangible assets under development	4	-	8,565
	(e) Financial assets			
	(i) Trade Receivables	5	-	-
	(ii) Loans	6	-	-
	(iii) Other Financial Assets	7	128	142
	(f) Deferred Tax Assets (net)	21	-	-
	(g) Inventories	8	-	-
	(h) Other Non-Current Assets	9	69	598
	Sub Total Non-Current Assets ((a) to (h))		29,468	29,373
(2)	Current Assets			
	(a) Inventories	10	3,752	3,430
	(b) Financial Assets			
	(i) Trade Receivables	11	938	97
	(ii) Cash and Cash equivalents	12	5,969	3,451
	(iii) Bank Balances (other than (ii) above)	13	307	278
	(iv) Other Financial Assets	14	37	22
	(c) Current Tax Assets (Net)	15	102	-
	(d) Other Current Assets	16	121	164
	Sub Total Current Assets ((a) to (d))		11,226	7,442
	TOTAL ASSETS		40,694	36,815
EQUITY AND LIABILITIES				
	EQUITY			
	(a) Equity Share Capital	17	8,451	8,451
	(b) Other Equity		18,670	15,981
	Sub Total Equity ((a) + (b))		27,121	24,432
	LIABILITIES			
(1)	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	-	-
	(b) Government Grants-deferred	19	7,376	8,691
	(c) Provisions	20	563	521
	(d) Deferred Tax Liabilities (net)	21	289	145
	Sub Total Non-Current Liabilities ((a) to (d))		8,228	9,357
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	22	-	-
	(ii) Trade Payables	24	-	-
	A) Total Outstanding Dues of Micro Enterprises and Small Enterprises		41	49
	B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		1,016	210
	(iii) Other Financial Liabilities	25	1,700	145
	(b) Government Grants-deferred	23	1,329	1,315
	(c) Other Current Liabilities	26	830	433
	(d) Provisions	27	429	805
	(e) Current Tax Liability (Net)	28	-	69
	Sub Total Current Liabilities ((a) to (e))		5,345	3,026
	Sub Total Liabilities (1+2)		13,573	12,383
	TOTAL EQUITY AND LIABILITIES		40,694	36,815

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

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

sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

sd/-
MANOJ JAIN
Director

sd/-
DAMODAR BHATTAD
Director

sd/-
AJINKYA RANADIVE
Partner
MEM. NO. 148962

sd/-
DCN SRINIVASA RAO
Chief Executive Officer

sd/-
P. SARKAR
Chief Financial Officer

sd/-
PRIYA. S. IYER
Company Secretary

Place: Pune
Date : 12th May 2023

Place : Bengaluru
Date : 12th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

₹ in Lakhs

Sr. No.	Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
I	Revenue from operations	29	7,837	5,921
II	Other income	30	287	112
III	Total Income (I+II)		8,124	6,033
IV	Expenses			
	(a) Cost of materials consumed	31	2,506	1,146
	(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	64	81
	(c) Employee benefit expense	33	1,561	1,482
	(d) Finance costs	34	16	22
	(e) Depreciation and amortisation expense	35	1,997	1,996
	(f) Technical Assistance Fee	36	413	-
	(g) Other expenses	37	653	537
	Total expenses (IV) ((a) to (g))		7,210	5,264
V	Profit before exceptional items and tax (III -IV)		914	769
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		914	769
VIII	Tax expense :			
	(i) Current tax		-	324
	(ii) Current tax (MAT for the Year)		94	-
	(iii) Earlier Year Taxes		-	6
	(iv) Deferred tax (Including MAT Credit Entitlement)		144	-
	(v) Deferred tax		-	(77)
	Total Tax Expenses (i+ii+iii+iv+v)		238	253
IX	Profit for the year (VII-VIII)		676	516
(X)	Other Comprehensive Income			
(A)	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		28	15
	(ii) Income tax effect on the above		(8)	(4)
(B)	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of taxes (A + B)		20	11
(XI)	Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		696	527
(XII)	Earning per equity share			
	(1) Basic	38(1)	0.80	0.61
	(2) Diluted		0.80	0.61

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

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

sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

sd/-
MANOJ JAIN
Director

sd/-
DAMODAR BHATTAD
Director

sd/-
AJINKYA RANADIVE
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P. SARKAR
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sd/-
PRIYA. S. IYER
Company Secretary

Place: Pune
Date : 12th May 2023

Place : Bengaluru
Date : 12th May, 2023

STATEMENT OF CASH FLOW FOR THE PERIOD 01.04.2022 TO 31.03.2023

₹ in Lakhs

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
Cash Flow From Operating Activities		
Profit before tax	914	769
Adjustments for :		
Depreciation & amortisation expense	1,997	1,996
Interest Income	(167)	(100)
Finance costs	16	22
Amortisation of government grants-deferred	(1,315)	(1,315)
Remeasurements of the defined benefit plans	28	15
Adjustment for Fair Valuation of Loan	-	(1)
Change In Operating Assets and Liabilities		
(Increase) /decrease in trade receivables	(841)	934
(Increase) /decrease in inventories	(324)	210
Increase /(decrease) in trade payables	798	(130)
Increase /(decrease) in other financial liabilities	1,555	(201)
(Increase)/ decrease in other financial assets	-	(77)
(Increase) /decrease in other non current assets	528	(10)
(Increase) /decrease in other current assets	43	(51)
Increase /(decrease) in provisions	(334)	86
Increase/(decrease) in other current liabilities	397	171
Cash flow from/ (used) in operations	3,295	2,318
Income taxes paid	(292)	129
Cash Flow Before Exceptional Items	3,003	2,447
Exceptional Items	-	-
Net Cash flow from /(used) in operating activities : (A)	3,003	2,447
Cash Flow From Investing Activities :		
Purchase of Property, Plant and Equipment and other Intangibles Assets	(2,634)	(105)
Intangibles Assets under Development	-	(1)
Investment in Term Deposits	(29)	52
Interest received	167	100
Net cash inflow from/ (used) in from investing activities (B)	(2,496)	46
Cash Flow From Financing Activities		
Grant Received	14	-
Proceeds/(Repayment) from borrowings- Term Loan	-	(379)
Finance Costs	(16)	(22)
Dividend Paid	(186)	(133)
Share Application money pending for allotment	2,199	-
Net cash inflow from/(used) in financing activities (C)	2,011	(534)
Net Increase/(Decrease) In Cash and Cash Equivalents ((A)+(B)+(C))	2,518	1,959
Cash and Cash Equivalents at the beginning of the year	3,451	1,492
Cash and cash equivalents at the end of the year	5,969	3,451
Reconciliation of cash and cash equivalents as per Cash flow statement		
Reconciliation of cash and cash equivalents as per above comprise of following :		
Cash and cash equivalents (Note 12)	5,969	3,451
Balance as per statement of cash flows	5,969	3,451

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

As per our report attached
PRASS & ASSOCIATES LLP
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sd/-
BHANU PRAKASH SRIVASTAVA
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PRIYA. S. IYER
Company Secretary

Place: Pune
Date : 12th May 2023

Place : Bengaluru
Date : 12th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

A. EQUITY SHARE CAPITAL

₹ in Lakhs

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

Balance as on 01.04.2021		Note No	Changes in equity capital due to prior period errors		Restated balance at the beginning of the current reporting period		Changes in equity share capital during the current year		Balance as on 31.03.2022	
No. of Shares	Amount		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
8,45,06,970	8,451	17	-	-	8,45,06,970	8,451	-	-	8,45,06,970	8,451

B. OTHER EQUITY

As at 31st March, 2023

₹ in Lakhs

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

As at 31st March, 2022

₹ in Lakhs

Particulars	Note No	Share Application Money Pending Allotment	Reserves and Surplus		Items of Other Comprehensive Income	Other Reserves	Total Equity
			Securities Premium	Retained Earnings			
Balance as on 1st April 2021		-	8,971	6,857	(454)	227	15,601
Share Application Money Pending Allotment		-	-	-	-	-	-
Profit for the year		-	-	516	-	-	516
Other comprehensive income for the year (net of tax)		-	-	-	11	-	11
Capital Contribution on account of below market rate borrowings		-	-	-	-	-	-
Balance as at 31st March 2022		-	8,971	7,373	(443)	227	16,128
Dividends	17	-	-	(147)	-	-	(147)
Balance as at 31st March 2022		-	8,971	7,226	(443)	227	15,981

Capital Contribution on account of below market rate borrowings includes ₹ 31,330/- which is rounded off.

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
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 107816 W/W 100222

sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

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DCN SRINIVASA RAO
Chief Executive Officer

sd/-
P. SARKAR
Chief Financial Officer

sd/-
PRIYA. S. IYER
Company Secretary

Place: Pune
Date : 12th May 2023

Place : Bengaluru
Date : 12th May, 2023

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 derecognized as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(iv) TRADE AND OTHER PAYABLES

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

23. RECLASSIFICATION OF FINANCIAL INSTRUMENTS

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

24. OFFSETTING OF FINANCIAL INSTRUMENTS

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

25. LEASES**Company as a Lessee:-**

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

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

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

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

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

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

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

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

26. CASH DIVIDEND AND NON-CASH DISTRIBUTION TO EQUITY SHAREHOLDERS

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

27. PROVISION FOR WARRANTIES

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

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

28. 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
PRASS & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No. 107816 W/W 100222

sd/-
BHANU PRAKASH SRIVASTAVA
Chairman

sd/-
MANOJ JAIN
Director

sd/-
DAMODAR BHATTAD
Director

sd/-
AJINKYA RANADIVE
Partner
MEM. NO. 148962

sd/-
DCN SRINIVASA RAO
Chief Executive Officer

sd/-
P. SARKAR
Chief Financial Officer

sd/-
PRIYA. S. IYER
Company Secretary

Place: Pune
Date : 12th May 2023

Place : Bengaluru
Date : 12th May, 2023

NOTE 1: PROPERTY, PLANT AND EQUIPMENT YEAR ENDED 31st MARCH 2023

₹ in Lakhs

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Value	
	As at 1st April 2022	Additions / Adjustments	Deduction / Reclassification & Adjustments	As at 31st March, 2023	As at 1st April 2022	Charge for the year	Deduction / Reclassification & Adjustments	As at 31st March, 2023
OWNED ASSETS								
Buildings	480	-	-	480	204	30	-	246
Plant & Machinery	9,964	5,139	-	15,103	5,112	688	-	9,303
Office Equipment	31	-	-	31	20	3	-	8
Electrical installation	130	8	-	138	80	12	-	46
Furniture & Fixtures	61	-	-	61	36	6	-	19
Computer Systems	49	10	-	59	39	5	-	15
RIGHT OF USE ASSETS								
Leasehold Land	18	-	-	18	1	-	-	17
Total	10,733	5,157	-	15,890	5,492	744	-	9,654
Previous Year	10,690	43	-	10,733	4,746	746	-	5,241
								5,944

- Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 33/- Lakhs (Previous Year ₹ 33/- Lakhs) which is funded out of grant under TPDUP Project.
- Plant and Machinery (Gross Carrying Value) includes Assets to the tune of ₹ 5,611/- Lakhs(Previous Year ₹5,611/- Lakhs) which is funded out of grant received for implementation of Transfer of Technology for XD- 4 I.I.Tubes.
- Depreciation on Plant and Machinery of ₹ 688/- Lakhs includes depreciation on ToT equipments (XD-4) of ₹520/- Lakhs.
- 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/- Lakhs on 25.11.1991 with renewable option of further 95 years on new terms and conditions.
- Cost of leasehold land capitalised is ₹ 23/- Lakhs & Gross Carrying Amount is ₹ 18/- Lakhs. Lease agreement is duly executed in favour of the Company.
- 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 ₹ 2024/- pertaining to assets not in active use is rounded off, disposal of which is pending.
- Addition to Gross Carrying amount includes ₹ 36,618/- to Office Equipment and ₹ 30,604/- to Furniture & Fixtures for current year is rounded off.

NOTE 2 - CAPITAL WORK IN PROGRESS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
1. Civil Construction		
Opening balance	64	-
Add: Addition during the year	247	64
Less: Amount capitalised during the year	-	-
Total (1)	311	64
2.Plant and machinery		
Opening balance	5,087	5,090
Add: Addition during the year	38	-
Less: Amount capitalised during the year	5,084	3
Total (2)	41	5,087
GRAND TOTAL	352	5,151

Addition to Capital Work in Progress in Plant & Machinery includes ₹ 4,189/- in current year is rounded off

CAPITAL WORK IN PROGRESS AGEING SCHEDULEAs at 31st March, 2023

₹ in Lakhs

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

As at 31st March, 2022

₹ in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
AHU Building Construction	64	-	-	-	64
XR-5 Project	-	4	77	5,006	5,087
Projects temporarily suspended	-	-	-	-	-
TOTAL	64	4	77	5,006	5,151

NOTE 3 - INTANGIBLE ASSETS FOR THE YEAR ENDED 31st MARCH 2023

₹ in Lakhs

Particulars	Gross Carrying Amount			Accumulated Amortisation			Net Carrying Value	
	As at 1 st April 2022	Additions / Adjustments	Deduction / Reclassification & Adjustments	As at 31 st March, 2023	As at 1 st April 2022	For the year	Deduction / Reclassification & Adjustments	As at 31 st March, 2023
License Fee (XD-4)	18,424	-	-	18,424	8,750	1,250	-	8,424
License Fee (XR-5)	-	10,842	-	10,842	-	2	-	10,840
Computer Operating System	3	-	-	3	1	1	-	1
Total	18,427	10,842	-	29,269	8,751	1,253	-	19,265
Previous Year	18,426	1	-	18,427	7,501	1,250	-	9,676
								10,925

1. Intangible Assets (Gross Carrying amount) includes ₹ 13,689/- Lakhs (Previous Year ₹ 13,689/- Lakhs) which is funded out of grant received for implementation of Transfer of Technology (ToT) XD-4.
2. Amortisation is calculated on straight -line basis over the estimated useful lives of asset.
3. Amortisation of Computer Operating System is ₹ 25,311/- wrt previous year is rounded off.

NOTE 4 - INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
TOT (XR-5)		
Opening balance	8,565	8,564
Add: Addition during the year	2,105	1
Less: Amount capitalised during the year	10,670	-
Total	-	8,565

The additions to intangible assets under development in previous year is on account of the Capitalisation of borrowing cost.

INTANGIBLE ASSETS UNDER DEVELOPMENT AGEING SCHEDULEAs at 31st March, 2023

₹ in Lakhs

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

As at 31st March, 2022

₹ in Lakhs

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	1	51	1,497	7,016	8,565
Projects temporarily suspended	-	-	-	-	-

NOTE 5 - TRADE RECEIVABLES- NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
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	143	140
Less: Provision for doubtful debts	143	140
Sub Total (1)	-	-
2.From Others	-	-
Less: Provision for doubtful debts	-	-
Sub Total (2)	-	-
Total	-	-

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

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

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balance at the beginning of the year	140	160
Expected Credit loss provision during the year	3	-
Written off during the year	-	4
Credited to Profit or Loss	-	16
Balance at the end of the year	143	140

Refer Note No 40 for Related Party Disclosure.

TRADE RECEIVABLES AGEING - NON-CURRENT

As at 31st March, 2023

₹ in Lakhs

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

As at 31st March, 2022

₹ in Lakhs

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

NOTE 6 : LOANS - NON CURRENT

Particulars	As at 31 st March 2023	As at 31 st March 2022
Loans- Non Current	-	-
Total	-	-

NOTE 7 - OTHER FINANCIAL ASSETS - NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
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	-	-
Term deposits with more than 12 months maturity	87	105
Interest Accrued on term Deposits	5	1
Total	128	142

1. Refer Note No. 39 for fair value measurements

NOTE 8 - INVENTORIES - NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Inventories		
Raw materials	41	44
Less: Provision for Non-Moving Stock	1	6
Less: Provision for obsolescence	40	38
Total	-	-

NOTE 9 - OTHER NON CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31 st March 2023		As at 31 st March 2022	
Capital Advances		2		449
Prepaid Expenses		10		12
Advance service tax paid on (XR-5)		-		32
Advance TDS (XR-5)		-		48
Advances to suppliers				
Unsecured considered doubtful	22		22	
Less: Provision for doubtful advances	22	-	22	-
Deposits				
Deposit with Excise Authorities	-		-	
Deposit with Court (Octroi)	14		14	
Deposit for Octroi	23		23	
Deposit with Service tax authorities	20	57	20	57
Total		69		598

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 st March 2023		As at 31 st March 2022	
Raw materials*	619		485	
Goods In Transit (RMC)	229		-	
Stores & consumables*	139		188	
Work- in- Progress	2,344	3,331	2,408	3,081
Machinery spares		421		349
Total		3,752		3,430

Notes

- * Raw material and Stores & consumables include ₹ 33 Lakhs (Previous year ₹ 15 Lakhs) being material with subcontractors.
- * Raw material and Stores & consumables include ₹ 5 Lakhs (Previous year ₹ Nil) related to BRNS Project.
- The assets which are received / retained by the company on behalf of the customer do not form part of the inventory.

NOTE 11 - TRADE RECEIVABLES- CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Trade Receivables Considered Good Secured	-	-
Trade Receivables Considered Good, Unsecured		
- From related party	66	36
- From others	872	61
Trade Receivable having Significant Increase in Credit Risk	-	-
Trade Receivable , Credit Impaired	-	-
Total	938	97

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 :**

- a. Contracts from Government/Government Departments, PSU's Typically payments are made in either of the following terms :-
 - i) 90% within seven days and 10% after inspection and acceptance.
 - ii) 30 days credit from date of supply.
 - iii) 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.
- b. Contracts with private customers :- Advance payment before despatch of goods.
- c. Advance received from customer are classified as contract liability and Progressively adjusted on completion of performance obligation. Balance amount receivable after adjusting advance is classified as Trade Receivable.

TRADE RECEIVABLES AGEING - CURRENTAs at 31st March, 2023

₹ in Lakhs

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

As at 31st March, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	97	-	-	-	-	97
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE 12- CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
1. Cash and cash equivalents		
a. Balances with banks		
In current accounts	9	54
In cash credit account	250	43
In term deposits (Original Maturity upto 3 months)	5,710	3,354
b. Cash and Stamps on Hand	-	-
Total	5,969	3,451

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 ₹ 60/- stamps in hand wrt current year is rounded off. (Previous Year ₹ 155)

3. Term Deposit includes ₹ 8 Lakhs out of Grant received towards BRNS Project. Refer Note No. 39 for fair value measurements

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

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balances with Banks	5969	3,451
Cash and stamp on hand	-	-
Total	5969	3,451

NOTE 13- BANK BALANCES

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
In Term deposit (Original Maturity of more than 3 months and less than 12 months)	307	278
Total	307	278

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 st March 2023	As at 31 st March 2022
Interest accrued on Term deposit	33	19
Other Receivables	1	-
Stipend receivables (trainees)	3	3
Total	37	22

1. Other Receivables of ₹ 45,092/- 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 st March 2023	As at 31 st March 2022
Balances with Income Tax Authorities Towards Refund Advance Payment of Income Tax	- 102	- -
Total	102	-

NOTE 16 - OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31 st March 2023		As at 31 st March 2022	
Prepaid expenses		18		20
Advance to suppliers		17		95
Travel advance		1		-
Other Advances				
Advance TDS (XR-5)		-		9
Advance service tax paid on (XR-5)		-		6
Balance with revenue authorities				
FBT refund due	-		-	
GST input tax credit	85		20	
GST TDS	-		14	
		85		34
Total		121		164

- Travel advance of ₹ 8,421/- wrt previous year is rounded off.
- FBT refund due of ₹ 45,928/- wrt current year & previous year is rounded off.
- GST TDS includes ₹ 36,812/- wrt current year is rounded off.

NOTE 17 - EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Authorised Capital : 10,00,00,000/- (Previous period 10,00,00,000/-) equity shares of ₹ 10/- each	10,000	10,000
*Issued Capital : 9,32,23,820 (Previous period 8,45,06,970) equity shares of ₹ 10/- each	9,322	8,451
Subscribed and Paid - up Capital : 8,45,06,970 (Previous period 8,45,06,970) equity shares of ₹ 10/- each fully paid up	8,451	8,451

* Refer note 40(3) para 2 & 3

₹ in Lakhs

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	As at 31 st March 2023		As at 31 st March 2022	
	No of shares	Amount	No of shares	Amount
No of equity shares outstanding at the beginning of the year	8,45,06,970	8,451	8,45,06,970	8,451
Add: Additional equity shares issued during the year	-	-	-	-
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	8,45,06,970	8,451

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

Particulars	2022-23		2021-22	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
Equity Shares: Bharat Electronics Limited	8,45,06,970	100	8,45,06,970	100

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

As at 31st March, 2023

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

As at 31st March, 2022

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

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

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

FINAL DIVIDEND

₹ in Lakhs

Particulars	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
Final Dividend for FY 2021-22 & FY 2020-21	206	147

NOTE 18- BORROWINGS - NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Term Loan	-	-
Total	-	-

NOTE 19 - GOVERNMENTS GRANTS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
TOT (XD-4) PROJECT	7,376	8,691
Total	7,376	8,691

Refer Note No. 40 (6) for Government Grants

NOTE 20 - PROVISIONS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Long-term compensated absences	563	521
Total	563	521

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

₹ in Lakhs

Particulars	As at 01.04.2022	Additions	Utilisation	As at 31.03.2023	
				Long-term	Short-term
Long-term compensated absences	531	65	18	563	15
Total	531	65	18	563	15

NOTE 21**I) DEFERRED TAX LIABILITIES/(ASSETS) (NET)**

₹ in Lakhs

Nature of timing difference	As at 31 st March 2023	As at 31 st March 2022
Deferred Tax Liabilities	1,312	809
Deferred Tax Assets	1,023	664
Total	289	145

II) AMOUNT RECOGNISED IN STATEMENT OF PROFIT & LOSS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Income Tax Expenses		
Current Tax	-	324
Current Tax (MAT)	94	-
Add : Deferred Tax	144	(77)
Less: Earlier Year Taxes	-	6
Income Tax Expenses	238	253

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

NOTE NO. 21

III) INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

₹ in Lakhs

Particulars	31.03.2023			31.03.2022		
	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	28	(8)	20	15	(4)	11
Total	28	(8)	20	15	(4)	11

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Trade Receivables-Provision	(39)	(41)	-	-	(39)	(41)
Provision others	(56)	(155)	-	-	(56)	(155)
Employee Benefits	(161)	(154)	-	-	(161)	(154)
Intangible Assets	-	-	853	550	853	550
Trade Payables	(6)	(6)	-	-	(6)	(6)
Plant Property and Equipment	-	-	459	259	459	259
Bonus	-	(1)	-	-	-	(1)
Super Annuation	-	(22)	-	-	-	(22)
Inventory	(12)	(13)	-	-	(12)	(13)
Income Tax Loss	(375)	-	-	-	(375)	-
MAT Credit	(374)	(272)	-	-	(374)	(272)
Total	(1,023)	(664)	1,312	809	289	145

v) Movement of Deferred Tax Assets & Liabilities

₹ in Lakhs

Particulars	Balance as on 01.04.2022	Recognised in P&L during 2022-23	Recognised in OCI during 2022-23	Balance as on 31.03.2023
Trade Receivables -Provision	(41)	2	-	(39)
Provision others	(155)	99	-	(56)
Employee Benefits	(154)	(7)	-	(161)
Intangible Assets	550	303	-	853
Trade Payables	(6)	-	-	(6)
Plant Property and Equipment	259	200	-	459
Bonus	(1)	1	-	-
Super Annuation	(22)	22	-	-
Inventory	(13)	1	-	(12)
Tax Loss	-	(375)	-	(375)
MAT Credit	(272)	(102)	-	(374)
Total	145	144	-	289

MAT Credit utilised during current year is Nil. Previous year was ₹ 187 Lakhs had no Impact on Profit & Loss Account.

₹ in Lakhs

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

vi)	2021-22			
	Particulars	Amount (₹)	Tax Effect (₹)	Tax Rate
I	Tax at Normal Rate			
1	Book profit	769		
2	Tax rate @29.12%		224	29.12
	Tax Provision expenses as per Books			
3	Tax Provision for Current Year		324	
4	Less: Deferred Tax		(77)	
5	Earlier Year Taxes		6	
6	Net Provision for Taxes		253	
	Difference (2-6)		(29)	-3.77%
	Effect of			
	Non deductible Expenses		29	3.77%
	Total		29	3.77%

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

NOTE 22 - BORROWINGS - NON CURRENT

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Loan from related party		
Current Maurities of Long Term Debt (Loan From BEL)	-	-
Total	-	-

Refer Note No. 39 for fair value measurements.

NOTE 23 - GOVERNMENTS GRANTS

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
TOT (XD-4) Project	1,315	1,315
BRNS Project	14	-
Total	1,329	1,315

Refer Note No. 40 (6) for Government Grants

NOTE 24- TRADE PAYABLES

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
(1) Dues to micro and small enterprises	41	49
(2) Dues to creditors other than micro and small enterprises	1,016	210
Total (1+2)	1,057	259

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	2022-23	2021-22
Amount due and Payable at the year end		
- Principal	-	-
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	-	-

- ii) Interest Due and payable for principals already paid ₹ 22,111/- for current and previous year is rounded off.
- iii) The information is given in respect of such suppliers to the extent they could be indentified as a Micro & Small Enterprises on the basis of information available with the Company.
- iv) Refer Note No. 39 for fair value measurements.

TRADE PAYABLES AGEINGAs at 31st March, 2023

₹ in Lakhs

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

1. Outstanding amount due to MSME for 2-3 years includes ₹ 26,622/- is rounded off

2. Outstanding amount due to others for 2-3 years includes ₹ 15,594/- is rounded off

As at 31st March, 2022

₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	48	-	1	-	49
(ii) Others	89	-	27	94	210
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

1. Outstanding amount due to MSME includes following:

a) Outstanding for 1-2 years include ₹ 26,622/- is rounded off

b) Outstanding for more than 3 years include ₹ 15,662/- is rounded off

2. Outstanding amount due to others for 1-2 years includes ₹ 16,397/- is rounded off

NOTE 25 - OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Capital Creditors	1,599	4
EMD Deposits	3	3
Security Deposits	44	38
Outstanding Liabilities	54	100
Interest Payable to MSME	-	-
Total	1,700	145

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

Refer Note No. 39 for fair value measurements

NOTE 26 - OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March 2023		As at 31 st March 2022	
Movement of Contract Liabilities				
Advances from Customers		558		394
Statutory Dues Payable				
TDS Payable	225		18	
GST Payable	26		2	
Other Statutory Dues Payable	21	272	19	39
Total		830		433

2. MOVEMENT OF CONTRACT LIABILITIES.

₹ in Lakhs

Particulars	2022-23	2021-22
Opening Balance (A)	394	70
Receipt of advance from Customer during the year	985	376
Total - (B)	985	376
Contract liability adjusted against- Revenue recognised during the year out of Opening balance	23	52
Contract liability adjusted against- Revenue recognised during the year out of Advance received in Current Year	798	-
Total -(C)	821	52
Grand Total (Closing Balance) D = (A+B-C)	558	394

NOTE 27 - PROVISIONS

₹ in Lakhs

Particulars	As at 31 st March 2023		As at 31 st March 2022	
Provision for Performance Warranty		202		534
Provisions towards employee benefits				
Long-term compensated absences	15		10	
Gratuity	23		38	
Annual incentive	168		141	
Provision for Bonus	1		2	
Superannuation	20	227	80	271
Total		429		805

MOVEMENT OF PROVISIONS FOR THE YEAR 2022-23**I) PROVISION FOR PERFORMANCE WARRANTY**

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Carrying Amount at the beginning of the year	534	517
Add: Additional Provision made during the year	30	26
Less : Amounts Used during the year	9	9
Less : Unused amounts reversed during the year	353	-
Carrying Amounts at the end of the year	202	534

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :**1) Warranty Provision:**

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

II) PROVISIONS TOWARDS EMPLOYEE BENEFIT

₹ in Lakhs

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

Provision towards Superannuation of ₹ 13,952/- has been write back during the year is rounded off

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

₹ in Lakhs

Particulars	Superannuation	Annual Incentive	Provision for Bonus
Carrying Amount at the beginning of the year 01.04.2021	62	121	2
Add: Additional Provision made during the year 2021-22	18	60	2
Less : Amounts Used during the year 2021-22	-	28	2
Less : Unused amounts reversed during the year 2021-22	-	12	-
Carrying Amounts at the end of the year 31.03.2022	80	141	2

Bonus Provision towards Executives of ₹ 6,378/- has been write back during the year 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 ₹ 50/- Lakhs (Previous Year ₹ 53/- Lakhs)
- ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprehensive Income is ₹ (28)/- Lakhs (Previous Year ₹ (15)/- Lakhs)
- 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	1,099	1,004
2	Interest Cost	77	69
3	Current Service Cost	47	44
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)	(6)	(12)
11	The Effect of Changes in Foreign Exchange Rates	-	-
12	Actuarial (gains)/losses on obligations-Due to Change in Demographic Assumptions	-	1
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	(38)	(10)
14	Actuarial (gains) / losses on obligations- Due to Experience	4	3
15	Present value of Defined Benefit Obligation as on Balance Sheet date	1,183	1,099

₹ 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	1,060	879
2	Interest Income	74	60
3	Actual contributions by Employers	38	126
4	Expected contributions by Employees	-	-
5	Assets Transferred In/ Acquisitions	-	-
6	(Assets Transferred Out / Divestment)	-	-
7	(Benefit Paid From the Fund)	(6)	(12)
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	(6)	8
12	Fair value of Plan assets at the End of the Period	1,160	1,061

₹ 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	(1,183)	(1,099)
2	Fair Value of Plan assets at the end of the year	1,160	1,061
3	Funded Status [Surplus/(Defecit)]	(23)	(38)
4	Net Asset / (Liability) recognized in the Balance Sheet	(23)	(38)

₹ 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	(1,183)	(1,099)
2	Fair value of plan assets at the end of the period	1,160	1,061
3	Funded status [Surplus/(Deficit)]	(23)	(38)
4	Unrecognized Past Service Costs-	-	-
5	Net asset/(Liability) recognized in Balance Sheet	(23)	(38)

₹ in Lakhs

(E)	Expenses Recognised in the Statement of Profit or Loss for current Period	Current year	Previous Year
1	Current Service cost	47	45
2	Interest cost	3	8
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	50	53

₹ 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	(34)	(7)
2	Return Plan Assets, Excluding Interest Income	6	(8)
3	Change in Asset Ceiling	-	-
4	Net (Income)/Expenses for the Period Recognised in OCI	(28)	(15)

(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 (%)	7.44%	6.98%
2	Expected Return on plan assets (%)	7.44%	6.98%
3	Salary Escalation (%)	10.50%	10.50%
4	Rate of Employee Turnover	2.00%	2.00%

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

₹ in Lakhs

(I)	Sensitivity Analysis		
		Current year	Previous Year
	Projected Benefit Obligation on Current Assumptions	1,183	1,099
1	Delta Effect +1% Change in Rate of Discounting	(77)	(80)
2	Delta Effect -1% Change in Rate of Discounting	85	89
3	Delta Effect +1% Change in Rate of salary increase	82	86
4	Delta Effect -1% Change in Rate of salary increase	(75)	(78)
5	Delta Effect +1% Change in Rate of Employee Turnover	(12)	(15)
6	Delta Effect -1% Change in Rate of Employee Turnover	13	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 ₹ 578/- Lakhs as on 31.03.2023 (Previous Year ₹ 531/- Lakhs). The actuarial valuation has been done using PUC method.

₹ in Lakhs

Particulars	31.03.2023	31.03.2022
Retirement Age	58 years	58 years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	10.50%
Rate of Discounting	6.98%	6.98%
Mortality Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

₹ in Lakhs

Particulars	Current Year	Previous Year
Current Liability	15	10
Non Current Liability	563	521
Total	578	531

NOTE 28 - CURRENT TAX LIABILITIES

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for income tax (Net of advance tax)	-	65
Interest on Income Tax	-	4
Total	-	69

NOTE 29 - REVENUE FROM OPERATION

₹ in Lakhs

Particulars	For the year ended 31 st March 2023		For the year ended 31 st March 2022	
(a) Sale of products	5,947		4,371	
(b) Sale of services	151	6,098	215	4,586
(c) Other Operating Revenue				
(i) Sale of Manufacturing Scrap	-		3	
(ii) Excess Provision Written Back				
- Warranty for Replacement	353		-	
- Obsolescence Inventory	6		-	
- Doubtful Debts	-		16	
- Sundry Creditors	65			
- Others	-	424	1	20
(d) Government Grant		1,315		1,315
Total Revenue (a+b+c+d)		7,837		5,921

Provision Written Back - Others includes ₹ 33,280/- provision for doubtful advance written back during the year is rounded off.
Government Grants includes ₹ 25,658/- for BRNS Project in current year.

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

₹ in Lakhs

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

i) Break up of revenue recognised against contracts with customers for 2021-22

₹ in Lakhs

Particulars	Government of India /PSU				Others	Total
	Defence	Non-Defence	Domestic	Exports	Offset Business	
Sale of Product	4,345	8	18	-	-	4,371
Income from Services	125	5	85	-	-	215
Total	4,470	13	103	-	-	4,586

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

₹ in Lakhs

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

ii) Reconciliation of Revenue Recognised in Statement of Profit and Loss with contract Price for 2021-22

₹ in Lakhs

Particulars	Amount	Amount
Revenue as per Statement of P&L Account		
Sale from Products	4,371	
Income from service	215	
Total (a)		4,586
Adjustments (b)		-
Contract price (a-b)		4,586

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 31 st March 2023	For the year ended 31 st March 2022
Interest on term deposits	166	83
Interest others	1	2
Interest on Income Tax Refund	-	15
Net gain on foreign currency transaction and translation (net) @	89	9
Miscellaneous income	29	2
Sale of Scrap	2	1
Total	287	112

- @ The foreign exchange Gain /(loss) is on account of rate variations arising on transactions in foreign currency between the date of recording of such transactions and the settlement/ the reporting date.

NOTE 31 - COST OF MATERIAL CONSUMED

₹ in Lakhs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
1) Raw material and components consumed		
Opening stock	529	564
Add: Purchases	2,513	1,016
	3,042	1,580
Less : Closing stock	660	529
Sub - Total (1)	2,382	1,051
2) Stores and consumables consumed		
Opening stock	188	241
Add: Purchases	75	42
	263	283
Less : Closing stock	139	188
Sub -Total (2)	124	95
Total (1+2)	2,506	1,146

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

₹ in Lakhs

Particulars	For the yer ended 31 st March 2023		For the yer ended 31 st March 2022	
Work-in Progress				
Opening stock	2,408		2,489	
Closing stock	2,344	64	2,408	81
Finished Goods				
Opening stock	-		-	
Closing stock	-	-	-	-
Total Decrease / (Increase)		64		81

NOTE 33 - EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	For the yer ended 31 st March 2023		For the yer ended 31 st March 2022	
Salaries and allowances		1,275		1,191
Leave encashment		71		90
Contribution to provident fund and other funds				
Provident fund	101		93	
Superannuation fund	20		18	
Gratuity	50		53	
Other funds	4	175	4	168
Administration and EDLI charges on PF		5		5
Staff welfare expenses		35		28
Total		1,561		1,482

1. Salaries and allowances has an effect of reversal of following excess Provisions written back.

- Provision for Bonus ₹ 429/- for current year (Previous Year - Nil)
- Provision for PPI ₹ 5,83,699/- for current year (Previous Year - 12 Lakhs)
- Provision for Supperannuation ₹ 13,952/- for current year (Previous Year - Nil)

NOTE 34 - FINANCE COSTS

₹ in Lakhs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Interest others	-	-
Interest on Loans from BEL	-	1
Interest on Cash Credit	-	-
Interest on Income Tax	-	4
Interest levied on Delayed Payment of IGST & BCD	-	-
Sub-Total (1)	-	5
Other borrowing cost		
Loan processing charges	16	17
Sub-Total (2)	16	17
Total (1+2)	16	22

- Interest on Cash Credit of ₹ 445/- wrt current year is rounded off.
- Interest levied on delayed payment of IGST & BCD ₹ 19,273/- wrt current year (Previous year ₹ 10,744/-) is rounded off.
- The amount of interest capitalised on loan from BEL during the Year is ₹ Nil (Previous year ₹ 1 Lakhs) which is not included above. Capitalisation Rate is not applicable for current year (Previous year 7.56%p.a.)

NOTE 35 - DEPRECIATION / AMORTISATION

₹ in Lakhs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Depreciation on Property, Plant & Equipments	744	746
Amortisation on Intangible Assets	1,253	1,250
Total	1,997	1,996

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

₹ in Lakhs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Technical assistance fees	413	-
Total	413	-

NOTE 37 - OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Power and fuel	261	173
Water charges	4	3
Travelling & conveyance	22	17
Communication	3	3
Printing and stationery	2	2
Insurance	30	35
Rates & taxes	20	20
Bank charges	11	7
Legal & professional charges	17	13
Repairs		
Machinery	79	46
Building	2	1
General maintenance expenses	130	116
Provision for Obsolete Stock	2	34
Provision for Non-Moving Stock	1	4
Provision for repairs during warranty period	30	26
Provision for Liquidated Damages by Debtors	3	-
CSR Expenses	11	19
Miscellaneous expenses	25	18
Total	653	537

1.Bad Debts amounting to ₹18,536/- w.r.t. Previous 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 84506970 Shares.

₹ in Lakhs

Earning Per Share	2022-23	2021-22
Earning Per Share (Basic & Diluted) from continuing Operation	0.80	0.61
Earning Per Share (Basic & Diluted) from discontinuing Operation	-	-
Amount used as the numerators in calculating basic & diluted earnings per share	676	516
Weighted average number of equity shares used in computing basic and diluted earnings per share	84506970	84506970

NOTE 38 (2)- DISCLOSURE RELATING TO CSR EXPENDITURE

₹ in Lakhs

Particulars	In Cash	Yet To be Paid In Cash	Total	Appropriation For Unspent Amount	CSR Grant Total
i. Construction / Acquisition on any asset	63	-	63	-	63
	-	-	-	-	-
ii. Purpose other than (i) above	5	1	6	11	17
	-	19	19	-	19

₹ in Lakhs

Nature of CSR activities	Total previous shortfall	Amount required to be spent on CSR during the year	Amount of expenditure incurred	Shortfall as at 31-03-2023	Reason for shortfall
1. Construction of 3 Classrooms & Staff Room at for School at Chandoli, Khed	41	-	41	-	Not Applicable
2. Construction of 2 additional Classrooms for School at Chandoli, Khed	20	-	20	-	
3. Providing furniture for above School	2	-	2	-	
4. Healthcare Project	6	-	5	1	Parameter of the project is enhanced & is expected to be completed during F.Y. 2023-24
Total	69	-	68	1	

NOTE NO. 39

FINANCIAL RISK MANAGEMENT

(i) RISK MANAGEMENT FRAMEWORK AND POLICIES

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

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

(ii) MARKET RISK

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

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

(iii) CURRENCY RISK

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

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

The Company's export proceeds which are realized in USD 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 2022-23. As on 31st March 2023, there are no outstanding derivative contracts.

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

₹ in Lakhs

Particulars	31 st March 2023		31 st March 2022	
	Euro	USD	Euro	USD
Bank Balance	-	-	-	-
₹	-	-	-	-
Trade Receivable	3	-	-	-
₹	219	-	-	-
Bank Loans - Secured	-	-	-	-
₹	-	-	-	-
Trade Payables	23	3	1	1
₹	2108	243	113	69
Net Exposure i. r. o recognised assets and liabilities	20	3	1	1
₹	1889	243	113	69

(iv) FOREIGN CURRENCY SENSITIVITY

A reasonably possible strengthening/(weakening) of the Indian Rupee against major currency Euro as at 31st March 2023 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	
	31.03.2023	31.03.2022
Currency Wise – Euro Rate Increase by 5%	-106	-5.64
Currency Wise –Euro Rate Decrease by 5%	106	5.64

(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.

- M/s Bharat Electronics Ltd has sanctioned Term loan for ₹ 4,600/- Lakhs 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.
- BELOP has also been sanctioned fund based and non-fund based working capital limits of ₹ 2,500 Lakhs by SBI .The rate of interest is 8.55% p.a. The rate of interest charged by SBI is linked to their base rate which is subject to fluctuations, as per the terms and conditions. Outstanding as on 31st March 2023 is NIL.
- M/s Bharat Electronics Ltd has sanctioned Term loan for ₹ 3,761/- Lakhs for setting up industrial facilities for manufacture of aviation hoses. The interest is charged monthly at the rate of yield earned by BEL on the deposits made with banks upto previous month or the interest rate of yield on a Government of India bond of five year tenure whichever is higher.

(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 31st March 2023**₹ in Lakhs**

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

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

As at 31st March 2022**₹ in Lakhs**

Sr. No.	Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
I	Borrowings	-	-	-	-	-	-
	Current Maturities of Long Term Debt (Loan from BEL)	-	-	-	-	-	-
II	Trade Payables	259	-	-	-	-	259
III	Other Financial Liabilities:-						
A	Other Payable	4	-	-	-	-	4
B	Security Deposits	41	-	-	-	-	41
C	Outstanding Expenses	100	-	-	-	-	100
D	Interest On Borrowing	-	-	-	-	-	-
E	Interest On MSME	-	-	-	-	-	-

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

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 .

(vii) CAPITAL MANAGEMENT

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

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

The company's borrowing as on 31st March 2023 is outlined below :-

Sr. No.	Particulars	Amount Outstanding as on 31 st March 2023 ₹ in lakhs	Remarks
1	Term Loan from BEL(XR-5 Project)	-	Refer Note No. 22 of Balance Sheet.

The Gearing Ratio is given below:-

₹ in Lakhs

Particulars	As at 31 st March 2023	As at 31 st March 2022
Net debt	-	-
Total equity	24,922	24,431
Net debt to equity ratio	-	-

Note No. 39 –Financial Risk Management (ix)

Financial Instruments - Fair Value Measurements

1. Accounting classification and fair values

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

a) Financial Assets

₹ in Lakhs

Sr.No.	Particulars	31 st March 2023			31 st March 2022		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Assets measured at fair value	-	-	-	-	-	-
	Total	-	-	-	-	-	-
	Financial Assets not measured at fair value						
I	Trade Receivables	-	-	938	-	-	97
II	Cash and cash equivalents	-	-	5,969	-	-	3,451
IV	Other Bank Balances	-	-	307	-	-	278
V	Other Financial Assets						
A	Term Deposit	-	-	87	-	-	105
B	Interest On Term Deposits	-	-	38	-	-	19
C	Security Deposit	-	-	36	-	-	36
	Total	-	-	7,375	-	-	3,986

b) Financial Liabilities

₹ in Lakhs

Sr.No.	Particulars	31 st March 2023			31 st March 2022		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
	Financial Liabilities measured at fair value	-	-	-	-	-	-
	Total	-	-	-	-	-	-
	Financial Liabilities not measured at fair value						
I	Borrowings	-	-	-	-	-	-
II	Current Maturities of Long Term Debt (Loan from BEL)	-	-	-	-	-	-
III	Trade Payables	-	-	1,057	-	-	259
IV	Other Financial Liabilities						
A	Other Payable	-	-	1,599	-	-	4
B	Security Deposits	-	-	47	-	-	41
C	Outstanding Expenses	-	-	54	-	-	100
D	Interest On Borrowing	-	-	-	-	-	-
E	Interest On MSME	-	-	-	-	-	-
	Total	-	-	2,757	-	-	404

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

GENERAL NOTES TO ACCOUNTS
NOTE NO. 40
1. BORROWINGS
i) WORKING CAPITAL LOAN FROM BANKS

- a) The company has been sanctioned working capital limit of ₹ 2,500/- Lakhs by SBI. The rate of interest is 8.55% p.a.
- b) The above sanctioned limits are also secured by Hypothecation of raw materials, stock-in-process, finished stocks, stores and spares, book debts and other current assets (except spare parts relating to plant and machinery) by way of first charge as outlined below. The sanctioned limits are also secured by first pari passu charge by way of equitable mortgage on Land & Building.

₹ in Lakhs

Sr. No	Particulars	31.03.2023	31.03.2022
1	Inventories	3,752	3,430
2	Trade Receivables	938	97
3	Cash & Cash Equivalent	5,969	3,451
4	Bank Balance	307	278
5	Other Financial Assets	37	22
6	Other Current Assets	121	164
	Total Current Assets	11,124	7,442

ii) TERM LOAN FOR XR-5 PROJECT FROM BEL

BEL has sanctioned a Term Loan of ₹ 4,600/- Lakhs 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 31.03.2023 is ₹ Nil/- (Previous Year ₹ Nil). 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 has been completed during the year. The License Fees paid is shown as intangible assets. The technical assistance rendered under the project during the year has been charged to the Statement of Profit and Loss.

3. 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/- Lakhs towards related taxes and duties and towards infrastructure upgradation at BELOP by way of loan.

During the year 2022-23, Company has received ₹ 2199 Lakhs from Holding Company, M/s Bharat Electronics Ltd, by way of Right issue of 87,16,850 Equity Shares of ₹ 10/- each at a premium of ₹ 15.23 per share.

This has been shown under other Equity, under Application money pending allotment. The allotment of the shares is completed on 4th April 2023.

4. AVIATION HOSES PROJECT

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

5. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 73/- Lakhs (Previous Year ₹ 1/- Lakhs).

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

Sr. No	Particulars	₹ in Lakhs	
		2022-23	2021-22
1	Depreciation	520	520
2	Amortization of License Fee	1,250	1,250
3	Total	1,770	1,770
4	% of Grant Transfer	74.30%	74.30%
5	Grant Transfer (3*4)	1,315	1,315

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 2022-23 towards ToT has been transferred to income in the Statement of Profit and Loss & corresponding expenses is debited to Statement of Profit and Loss.

During the year 2022-23, BRNS has sanctioned total Grant of ₹ 39 Lakhs for three year (2022-23 to 2024-25) for "Development of Vacuum Photocathode, Hybrid Photodiode and Micro Channel Plate PMT."

During the year Company has received Grant of ₹ 14 Lakhs for the above captioned project & expenditure incurred is ₹ 25,658/- & has been transferred to income in the Statement of Profit and Loss.

7. PAYMENT TO AUDITORS (NET OF GST)

₹ in Lakhs

Sr. No	Particulars	2022-23	2021-22
1	Statutory Audit Fees	1.50	1.50
	Total	1.50	1.50

8. RELATED PARTY DISCLOSURES:

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

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

B) Related Party Transactions with holding Company Bharat Electronic Limited

₹ in Lakhs

Nature of Transactions	Amount of Transactions	Amount of Transactions	Amount Outstanding at the end of year		Amount Outstanding at the end of year	
	2022-23	2021-22	31.03.2023		31.03.2022	
	(₹)	(₹)	Debit (₹)	Credit (₹)	Debit (₹)	Credit (₹)
Sales	1022	1325	-	-	-	-
Purchases	-	-	-	-	-	-
Interest Paid	-	3	-	-	-	-
Internal Audit Fees	1	1	-	-	-	-
Trade Payables	-	-	-	1	-	1
Equity Contribution (Including Securities Premium)	-	-	-	17,422	-	17,422
Share Application Money Pending Allotment	2199	-	-	2199	-	-
Dividend Paid	206	147	-	-	-	-
Trade Receivables**	-	-	209	-	176	-

** Debtors includes ₹ 143/- Lakhs (Previous Year ₹ 140/- Lakhs) for which provision for doubtful debts has been made.

- i Two 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.

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 ₹ 343/- Lakhs (previous year ₹ 61/- Lakhs) is outstanding as Trade Receivables as on 31.03.2023.

C) KEY MANAGEMENT PERSONNEL ARE AS FOLLOWS:

Sr.No.	Name of Key Management Personnel	Designation
1	Mr. Bhanu Prakash Srivastava (Director from 22.09.2022 and Chairman from 01.11.2022)	CMD, BEL and Chairman, BELOP
2.	Mr. Dinesh Kumar Batra (Director from 07.08.2020 & Chairman from 01.09.2022 to 31.10.2022)	CMD, BEL and Chairman, BELOP
3	Mrs. Anandi Ramalingam (Chairman upto 31.08.2022)	CMD, BEL and Chairman, BELOP
4	Mr. Manoj Jain (from 11.10.2022)	Director (R & D), BEL & Director, BELOP
5	Mr. Manoj Kumar (from 16.12.2022)	Executive Director (NM) & Director, BELOP
6	Mr. Damodar Bhattad (from 10.02.2023)	Director (F), BEL & Director, BELOP
7	Mr. M. V. Rajasekhar (upto 31.08.2022)	Director (R & D), BEL & Director, BELOP
8	Mr. DCN Srinivasa Rao	Chief Executive Officer, BELOP
9	Mr. P. Sarkar	Chief Financial Officer, BELOP
10	Ms. Priya .S. Iyer	Company Secretary & DGM(MS), BELOP

The above Directors are Part time directors and no remuneration has been paid by the company to them during this year. The remuneration paid to CEO, CFO and to the Company Secretary is given below:-

₹ in Lakhs

Sr.No.	Particulars	Short-term benefits		Retirement Benefits		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Mr. DCN Srinivasa Rao	44	40	8	9	52	49
2	Mr. P. Sarkar	36	34	7	7	43	41
3	Ms. Priya .S. Iyer	18	17	4	4	22	21

9. As per the IND-AS Accounting Standard – 108 on “Operating Segments” Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5th June, 2015 as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.
10. The company which is a single composite cash generating unit has on the basis of assessment of internal and external factors found that there are no indications of impairment of its assets and hence no provision for the same is considered necessary.
11. 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	2022-23	2021-22
Material	2	1
Capital Expenditure	-	-
Employee Remuneration & Benefits	20	13
Gross Expenditure	22	14

12. A new superannuation Scheme has been implemented during the year 2022-23.

13. CONTINGENT LIABILITIES

₹ in Lakhs

Sr. No.	Particulars	For the year ended 31.03.2023 (₹)	For the year ended 31.03.2022 (₹)
a)	Outstanding Letters of Credit	544	34
b)	Outstanding Bank Guarantees (Counter Guarantee given against same by Company)	151	189
c)	Octroi Demand disputed by the Company and deposited with Sr. Divisional Bench of Pune Court in the financial year 2005-06. Presently the case is pending with Small Causes Court, Pune.	14	14
d)	Service tax disputed by the company	198	198
e)	Provisional Liquidated damages upto 31 st March unexecuted customer orders where the delivery date has expired.	6	Nil
	Total (a to e)	913	435

14. Value of Remaining Performance Obligation (Pending Orders to be executed)
Unrecognised revenue from contracts with Customer which are partially satisfied or unsatisfied (Pending Orders to be executed)

₹ in Lakhs

Particulars	Total Amount	Within a Year	2-3 Years	1-2 Years	More than 3 years
Unexecuted Order Value	4,836	4,836	-	-	-
Total	4,836	4,836	-	-	-

15. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
16. The Company do not have any transactions with companies struck off
17. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
18. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
19. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
20. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)
or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
21. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
22. Previous year's figures have been regrouped/ reclassified where ever considered necessary. Figure in brackets relate to previous year.
23. All the figures in the Financial Statement are rounded off to nearest lakhs unless otherwise mentioned.

STATEMENT OF ANALYTICAL RATIOS FOR THE YEAR ENDED 31st MARCH 2023

Sr. No.	Ratio	Explanation		Current Year		Previous Year		Current Period	Previous Period	% age Changes	Reason for Changes
		Numerator	Denominator	Numerator (₹ in Lakhs)	Denominator (₹ in Lakhs)	Numerator (₹ in Lakhs)	Denominator (₹ in Lakhs)				
1	Current ratio	Current Asset	Current Liabilities	11,226	5,345	7,442	3,026	2.10	2.46	(14.46)	N.A.
2	Debt-equity ratio	Total Debt	Shareholders Equity	13,573	24,922	12,383	24,432	0.54	0.51	5.88	N.A.
3	Debt service coverage ratio	Earning available for debt service	Debt Service	2,673	-	2,517	381	NA	6.61	NA	N.A.
4	Return on equity ratio	Net Profit after taxes	Average Shareholder Equity	676	24,677	516	24,242	0.03	0.02	50.00	Increase in Net Profit
5	Inventory turnover ratio	Sales	Average Inventory	5,947	3,206	4,371	3,185	1.85	1.37	35.03	Due to increase in Sales
6	Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	6,901	518	5,401	564	13.32	9.58	39.03	Increase in sales during March, 2023
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5,681	1,460	1,413	393	3.89	3.60	8.05	N.A.
8	Net capital turnover ratio	Net Sales	Working Capital	6,098	5,881	4,586	4,415	1.04	1.04	(0.72)	N.A.
9	Net profit ratio	Net Profit	Net Sales	676	6,098	516	4,586	0.11	0.11	-	N.A.
10	Return on capital employed (ROCE)	Earning before Interest & taxes	Capital Employed	914	27,410	774	24,576	0.03	0.03	-	N.A.
11	Return on investment	Since Company is an unlisted entity, hence Return on Investment can not be computed									

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Bel Optronik Devices Limited

Report on the Audit of the Standalone Ind AS Financial Statements**Opinion**

We have audited the Stand alone Ind AS financial statements of Bel Optronik Devices Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss, Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the Stand alone 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 stand alone Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31st, 2023 and its profit and loss, Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The company does not have any branches and hence branch Audit is not applicable.
- (d) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and also disclosed under Note No 40(7)(C), the company has not paid remuneration to its directors during the financial year.

- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in the Standalone Ind AS financial statements – Refer Note 40(12) to the financial statements
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii) The provisions related to the said clause relating to transfer of amounts, required to be transferred, to the investor education and protection fund by the company are not applicable to the company
 - iv)
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v)

- (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable (As declared in note no 17 to the standalone Ind AS financial statements)
- (b) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend is in accordance with Section 123 of the Act, as applicable

3. As required by Section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the Standalone Ind AS financial statements of the company in "Annexure C".

For PRASS & Associates LLP
Chartered Accountants

sd/-
CA Ajinkya J. Ranadive
Partner
M.No. 148962
Date: 12th May 2023
Place: Pune
UDIN:23148962BGWHMO9000

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

- 1)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) 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.
 - c) In accordance with this program certain fixed assets have been physically verified by the management during the year and no material discrepancies between the records and the physical fixed assets have been noticed. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and the nature of its assets.
 - d) According to the information and explanation given to us by the management and based on our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
 - e) According to the information and explanation given to us by the management and based on our examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.
 - f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
 - a) The inventory has been physically verified at the year-end by the management and no material discrepancies were noticed between books of accounts and physical verification.
 - b) The company has availed Cash credit limits of Rs. 25 crores (as on 31st March 2023). However, the same is not yet utilised by the company. The limit so availed is on the basis of projected cash flow. As informed to us, the company does not have to submit any statements other than projected cash flows.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company and hence not commented upon.
- 4) The company has not given any loans, investment and guarantees, to a person specified under the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 according to its turnover and the same has been maintained by the company.

7)

- (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, service tax, duty of customs, duty of excise, 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 st March, 2023
1.	Service Tax	CESTAT	2014-15	12,62,327.00
2.	Service Tax	CESTAT	2016-17	1,69,18,951.00
3.	Service Tax	CESTAT	2015-16	15,83,123.00

- 8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9)

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings from financial institutions, banks, government or dues to the debenture holders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

10)

- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

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

20)

- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For and on behalf of

For PRASS & Associates LLP

Chartered Accountants

sd/-

CA Ajinkya J. Ranadive

Partner

M.No. 148962

Date: 12th May 2023

Place: Pune

UDIN:23148962BGWHMO9000

Annexure - B to the Independent Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("The Act")**

We have audited the internal financial controls with reference to financial reporting of **BEL OPTRONIC DEVICES LIMITED**("the Company") as of 31 March 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31 March 2023, based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
For PRASS & Associates LLP
Chartered Accountants

sd/-
CA Ajinkya J. Ranadive
Partner
M.No. 148962
Date: 12th May 2023
Place: Pune
UDIN:23148962BGWHMO9000

Annexure - C to the Independent Auditors' Report

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

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

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

For and on behalf of

M/s PRASS & Associates LLP

Chartered Accountants

Firm Registration No. 107816W/W100222

sd/-

CA Ajinkya. J. Ranadive

Partner

M.No. 148962

Place: Pune

Date :12th May 2023



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

दिनांक/ DATE: 23 June 2023

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

Sir,

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

I forward herewith **Non-review Certificate** of the Comptroller and Auditor General of India
under Section 143(6) (a) of the Companies Act, 2013 on the accounts of **BEL Optronics
Devices Limited, Pune** for the year ended 31 March 2023.

It may please be ensured that the Comments are:

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

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Perumal J.N)
Director (Admin)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग

INDIAN AUDIT & ACCOUNTS DEPARTMENT

प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.

1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दू.भा./Phone : 2226 7646 / 2226 1168

Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF BEL OPTRONICS DEVICES LIMITED, PUNE FOR THE YEAR
ENDED 31 MARCH 2023**

The preparation of Financial Statements of **BEL Optronics Devices Limited, Pune** for the year ended 31 March 2023 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 12 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statements of **BEL Optronics Devices Limited, Pune** for the year ended 31 March 2023 under Section 143 (6) (a) of the Act.

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


(Rajesh Ranjan)

Principal Director of Commercial Audit

Place: Bengaluru

Dated: 23 June 2023

NOTES

[illegible]

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NOTES

[illegible]

Visit of Lt. Gen J. B. Chaudhari, SM, VSM – DCOAS (CD&S) to BELOP on 3rd May 2023



**Left to Right : Mr. DCN Srinivasa Rao, Ex-CEO, BELOP,
Mr. Manoj Jain, Director (R & D), BEL and Director, BELOP and
Lt. Gen J. B. Chaudhari, SM, VSM – DCOAS (CD&S).**

Visit of Lt. Gen. Vineet Gaur, AVSM – DG (Capability Development) to BELOP on 10th July 2023



**Left to Right : Col. Amit Thakur, Lt Gen Vineet Gaur, AVSM – DG (Capability Development),
and Mr. DCN Srinivasa Rao, Ex-CEO, BELOP.**



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)

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27130604, 27130220, 27130355

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