Integrated Annual Report 2025-26

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY, TECHNOLOGY, INNOVATION

POWERING
BHARAT'S
DEFENCE.

OUR COMMITMENT.
OUR PRIDE.



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PERFORMANCE HIGHLIGHTS FY 2025-26

₹ 26,680 CRORE
TURNOVER

₹ 6,048 CRORE
PROFIT AFTER TAX

₹ 23,698 CRORE
NET WORTH

₹ 30,045 CRORE
ORDERS WON IN FY 2025-26

₹ 73,882 CRORE
TOTAL ORDER BOOK
(AS ON APRIL 1, 2026)

₹ 8,015 CRORE
EBITDA

₹ 107.78 CRORE
CSR BUDGET

₹ 892 CRORE
CAPEX SPEND

₹ 2,048 CRORE
INVESTMENTS IN R&D ACTIVITIES

47,484.88 $MTCO_2$
EMISSIONS PREVENTED

Forward-looking Statement

Certain statements in this Report regarding our business operations may be forward-looking. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ABOUT THE REPORT

Basis of Reporting

Bharat Electronics Limited (hereinafter referred to as "we", "our", or "us") prepares and publishes its Integrated Report <IR> as a comprehensive disclosure tool for the stakeholders. This <IR> encapsulates our strategies, performance, and prospects of FY 2025-26. This includes the prudent utilisation of six capitals, risk management methods, and stakeholders' engagement philosophy which together drives our strategic success and exemplifies our value creation, preservation, and erosion approach. Additionally, our report highlights the commitment to fostering innovative solutions, maintaining sustainable practices, and adhering to robust governance frameworks to ensure long-term success and responsible growth.

Reporting Principle

This Integrated Report <IR> has adopted International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> framework. Currently, the IIRC has consolidated into International Financial Reporting Standards (IFRS) Foundation. The statutory reports, including the Board's Report, Management Discussion and Analysis (MD&A), Corporate Governance Report, and Business Responsibility and Sustainability Report, comply with the Companies Act of 2013 (and the Rules made thereunder), the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, DEP Guidelines and the secretarial standards.

Reporting Boundary and Scope

The Report covers financial and non-financial information and activities of BEL and financial information of its subsidiaries BEL Optronic Devices Limited (BELOP) and BEL-THALES Systems Limited (BTSL) for the period from 1 April 2025 to 31 March 2026. Material information, if any, until 1 August 2026 has been provided. Comparative figures, as applicable, for the last three to five years have been incorporated in this Report to provide a holistic view.

VISION

TO BE A WORLD-CLASS ENTERPRISE IN PROFESSIONAL ELECTRONICS

MISSION

TO BE A CUSTOMER-FOCUSSED, GLOBALLY COMPETITIVE COMPANY IN DEFENCE ELECTRONICS AND IN OTHER CHOSEN AREAS OF PROFESSIONAL ELECTRONICS, THROUGH QUALITY, TECHNOLOGY AND INNOVATION



OUR OBJECTIVES

1. To be a customer-focussed company providing state-of-the-art products & solutions at competitive prices, meeting the demands of quality, delivery & service.
2. To generate internal resources for profitable growth.
3. To attain technological leadership in defence electronics through in-house R&D, partnership with defence/research laboratories & academic institutions.
4. To give thrust to exports.
5. To create a facilitating environment for people to realise their full potential through continuous learning & team work.
6. To give value for money to customers & create wealth for shareholders.
7. To constantly benchmark company's performance with best-in-class internationally.
8. To raise marketing abilities to global standards.
9. To strive for self-reliance through indigenisation.

OUR SIX CAPITALS

Financial Capital

Intellectual Capital

Social & Relationship Capital

Manufactured Capital

Human Capital

Natural Capital

VALUE CREATED FOR OUR STAKEHOLDERS

SHAREHOLDERS
₹ 1,827 CRORE
dividend paid

COMMUNITIES
₹ 21.4 LAKH
lives positively touched

SUPPLIERS/VENDORS/CONTRACTORS
3,600
MSEs and start-ups supported
₹ 5,210 CRORE
procurement from MSEs

EMPLOYEES
₹ 3,091 CRORE
wages and benefits paid
80,611
man-days training

CUSTOMERS
₹ 26,680 CRORE
orders executed

POWERING BHARAT'S DEFENCE

OUR COMMITMENT. OUR PRIDE.

The world is entering a new era of defence and security. Emerging technologies, evolving threats and changing geopolitical realities are reshaping the way nations protect their interests. In this environment, lasting strength comes not only from military capability, but also from the ability to design, develop and manufacture in-house critical defence technologies.

Amidst the current scenario, Bharat (India) has responded with a clear vision: to build a strong, self-reliant and globally competitive defence ecosystem. Progressive policy reforms, higher investments in research and development, stronger partnerships between the Armed Forces, industry, academia and start-ups, and a renewed focus on indigenous innovation are accelerating the nation's transformation. Together, these efforts are reducing import dependence and creating an even stronger foundation for long-term technological leadership.

At the heart of this journey is Bharat Electronics Limited (BEL). For more than seven decades, BEL has been enabling the nation's defence preparedness through indigenous technologies. The Company has been investing in a three-tier R&D framework, expanding manufacturing capacity, strengthening system integration capabilities and closely aligning its R&D and Marketing functions to develop solutions that meet the evolving and customised needs of India's Armed Forces. BEL is equally committed to nurturing talent and expanding into new technology-driven businesses that are set to shape the future of defence and strategic electronics.

As India advances towards the vision of Viksit Bharat @2047, BEL remains steadfast in its purpose. Every innovation, system and partnership reflects its commitment in strengthening national security, advancing self-reliance, and positioning India as a trusted global leader in defence technology.



ABOUT BHARAT ELECTRONICS LIMITED

A PROMINENT AEROSPACE AND DEFENCE ELECTRONICS MAJOR FOR INDIA'S ARMED FORCES

Established in 1954 under the Ministry of Defence, Bharat Electronics Limited (BEL) continues to meet the specialised electronic requirements of the Indian Armed Forces. Over the last 72 years, the Company has grown into a Navratna Defence PSU and one of India's foremost technology enterprises, delivering advanced electronic systems that support national security and strategic capability.

Today, BEL's diverse portfolio includes Radars & Fire Control Systems, Weapon Systems, Communication & Network-Centric Systems, Electronic Warfare & Avionics, Anti-Submarine Warfare Systems, Electro-Optics, Tank Electronics, Strategic Components and Homeland Security Solutions. Built on strong in-house design, development and manufacturing capabilities, these technologies continue to strengthen the operational effectiveness of India's Armed Forces.

BEL has also successfully extended its technological expertise beyond defence – to strategic civilian sectors, including Civil Aviation, Railways & Metro Systems, Space Electronics, Artificial Intelligence, Cyber Security, Medical Electronics, Smart Cities and Unmanned Systems. Apart from this, the Company has also made a lasting contribution to India's democracy through the successful development and deployment of Electronic Voting Machines (EVMs) and Voter-Verified Paper Audit Trails (VVPATs).

BEL's commitment to innovation and execution continues to deliver strong business performance. During FY 2025-26, the Company achieved a turnover of ₹ 26,680 Crore, secured fresh orders worth ₹ 30,045 Crore and recorded export sales of US$ 141.96 Million. With an order book of around ₹ 73,882 Crore as on 1 April 2026, it is well positioned for sustained growth.

As BEL celebrates 72 years of excellence, it continues to look ahead with confidence. Guided by the vision of Atmanirbhar Bharat, the Company remains committed to developing next-generation indigenous technologies, creating long-term value for its stakeholders, and contributing meaningfully to the nation's aspiration of becoming a Viksit Bharat by 2047.

OPERATING STRUCTURE

Subsidiary Companies

BEL Optronic Devices Limited (BELOP)

100%
WHOLLY-OWNED SUBSIDIARY

BEL-THALES Systems Limited (BTSL)

74%
SUBSIDIARY STAKE HELD BY BEL

Associate Companies

26%
GE BE PRIVATE LIMITED (GEB)

40%
BEL IAI AEROSYSTEMS PRIVATE LIMITED

Non-Profit Organisation – Section 8 Company

50%
DEFENCE INNOVATION ORGANISATION (DIO)

40%
COMMUNICATION (DEFENCE) TESTING FOUNDATION

15%
LENS (LABORATORY FOR ELECTRO-OPTICAL NAVIGATIONAL SYSTEMS) FOUNDATION

40%
ELECTRONIC WARFARE (DEFENCE) TESTING FOUNDATION

20%
UAS TESTING FOUNDATION

Our integrated value chain includes all essential activities required to deliver advanced defence and civilian electronic products, covering the full spectrum from conceptualisation to after-sales support. It is structured into the following components.

OUR VALUE CHAIN

- **Engineering and Product Development**
- **Research, Design and Technology Development**
- **Procurement and Supply chain management**
- **Marketing and customer requirement**
- **Testing and Quality Assurance**
- **Manufacturing and System Integration**
- **Product Life Cycle Management**
- **Supply, Delivery and Project Execution and Management**

OUR REVENUE MODEL

Income from Sale of Products

- Primary source of revenue from sale of defence and non-defence products.
- Continuous investment in modernising manufacturing and R&D facilities.
- Expansion of marketing network and capabilities to explore existing and new business areas.

Income from Services

- Wide network of product support centres and Liaisoning Offices.
- Deployment of service engineers and provision of adequate spares support for life cycle management.
- Maintenance and uptime of critical systems for both defence and non-defence sectors.

Income from Exports

- Export of products and systems to foreign countries and global OEMs.
- Coordination with the Ministry of External Affairs (MEA) and the Ministry of Defence (MoD) for requirements.
- Strong relationships with current and prospective customers to support OEMs in meeting offset obligations.
- Exploration of civil and medical equipment opportunities in global markets.

EARNING REVENUE FROM KEY PROCESSES

Manufacturing
Local designing and manufacturing of a wide array of systems and products across fields; Contract manufacturing for aerospace and defence sector

Processing
Streamlining processes and securing continuous advancement and digitisation of processes and systems

Sale
10-year sales growth at 12%, contributed by enhanced execution of key orders and supply chain challenge mitigation

Value Addition
Manufacturing new products and subsystems, promising innovation and value addition, resulting in self-reliance

OUR CORE BUSINESSES

A WIDE SPECTRUM OF TECHNOLOGIES AND INITIATIVES



DEFENCE SEGMENT

We are a leading defence electronics and aerospace company providing an extensive range of products and services to the Indian armed forces. With a strong domain knowledge and core competencies, we cater to a wide range of needs of India's defence sector, with our core focus on developing advanced electronics products, systems and solutions for India's defence services.

Products & Services

Electronic Warfare & Avionics Systems, Communication Systems, Radar & Fire Control Systems, Weapon Systems, C4I systems, Anti-Submarine Warfare Systems, Tank & Gun Upgrades, Electro-optic Systems, Arms and Ammunitions etc.

Key Highlights, FY 2025-26

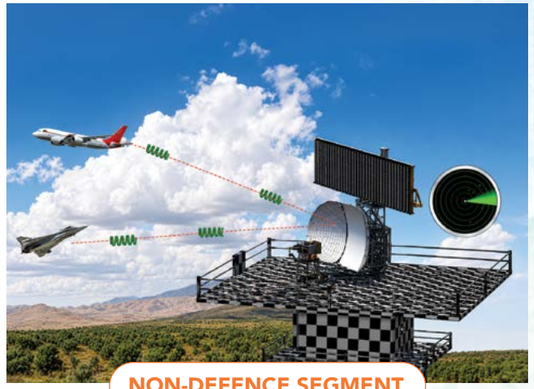
88%
Business generated through defence segment

₹ 27,898 CRORE
Defence Orders received

30
Total Strategic Business Units (SBUs)

NEW ORDER WINS IN DEFENCE SEGMENT

- Avionics for Light Combat Aircraft
- EW Suite for Helicopters
- Mountain Radars
- Air Defence Fire Control Radars
- Fire Control Systems & Sighting Systems for Tanks
- Electro-Optical Infrared Search Track System
- Light Weight ESM System
- Counter Unmanned Aerial System
- National Maritime Domain Awareness System
- Communication Equipment Network etc.



NON-DEFENCE SEGMENT

Besides serving the defence sector, we also develop innovative products and solutions for the civilian requirements, which complements our core defence competencies and in our allied areas. Our products and services in the non-defence segment are aimed at serving various civilian sector applications.

Products & Services

Network & Cyber Security, Rail & Metro Solutions, Civil Aviation Radars, Space Electronics, Class Room/Vehicle Mount Jammers, Anti Drone Systems, Homeland Security, Medical Electronics & Healthcare Solutions, Software Solutions, etc.

Key Highlights, FY 2025-26

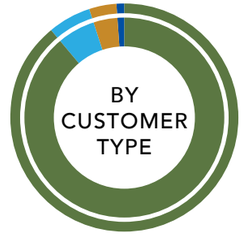
6%
Business generated through Non-Defence segment

₹ 2,147 CRORE
Non-Defence Orders received in FY 2025-26

Dedicated Strategic Business Units

Homeland Security, Network & Cyber Security and Software Solutions

TURNOVER BREAK-UP



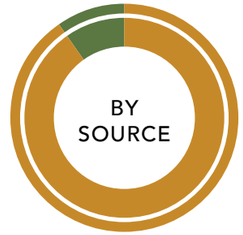
- Defence - 88.13%
- Non-Defence - 6.20%
- Exports - 4.99%
- Others - 0.68%

Defence
₹ 23,513 CRORE

Non-Defence
₹ 1,655 CRORE

Exports
₹ 1,331 CRORE

Others
₹ 181 CRORE



- Sales of Products 90.19%
- Service 9.81%

Sale of Products
₹ 24,063 CRORE

Services
₹ 2,617 CRORE

OUR KEY STRENGTHS

A ROBUST PLATFORM FOR ENDURING GROWTH AND VALUE

We established a robust and resilient platform for sustainable growth and long-term value creation, built on its strong technological foundation, diversified product portfolio, extensive manufacturing infrastructure and domain expertise in defence and strategic electronics. Our enduring strength stems from an unwavering focus on innovation, indigenous technology development, customer-centric solutions and strong execution capabilities.

At BEL, sustainability is a cornerstone of our value creation strategy, driving responsible growth through the integration of Environmental, Social, and Governance (ESG) principles across our business and operations. Our commitment to environmental stewardship, social responsibility, and sound governance strengthens long-term resilience, enhances stakeholder trust, and positions us as a leader in sustainable business practices. This commitment is reflected in our ESG Rating score of 73.8 with Leadership position awarded by CareEdge Ratings.

Protecting and preserving Mother Earth remains central to our environmental vision. Going beyond regulatory compliance, we actively pursue initiatives that reduce our environmental footprint and promote resource efficiency. During FY 2025-26, all manufacturing operations of BEL were powered through renewable energy, while continual enhancement of RoHS standards helped minimise the environmental impact of our products and processes.

To address the challenges of climate change, BEL has adopted a Net Zero Carbon Emissions Policy with a strategic roadmap to achieve Net Zero emissions across all Units and operations by 2035. Key initiatives include the phased transition from high-GWP refrigerants to environmentally preferable alternatives, among others. In March 2026, BEL became the first Defence PSU to achieve ISO 50001:2018 certification across all Manufacturing Units, with a commitment to achieve continual energy consumption reduction year-on-year.

Sustainability considerations are embedded across our infrastructure and operations through renewable energy deployment, rainwater harvesting, green building practices, and resource-efficient design features that maximise natural lighting and ventilation. We further support biodiversity conservation through habitat-specific afforestation, responsible renovation practices, and CSR initiatives focussed on protecting natural flora and fauna. Recently, we initiated the adoption of sustainable packaging materials, and use of recycled tree-free, bleach-free paper. Through these efforts, BEL continues to advance its commitment to building a greener, more sustainable future for generations to come.

Multi-technology, multi-product capabilities

We are a versatile company with a diverse portfolio of multiple high-tech products and services, and multi-technology capabilities catering to varied market needs. With key strengths in technological expertise, we remain deeply engaged in India's defence sector, with a focus on expanding our footprint in international defence and non-defence sectors. We are well established as leaders in delivering integrated solutions globally.

At the forefront of Make in India

We remain strongly aligned with the Government of India's transformative national vision, including Viksit Bharat 2047, AtmaNirbhar Bharat, Defence Vision 2047, the IndiaAI mission and India Semiconductor mission. These initiatives collectively seek to strengthen India's technological sovereignty, manufacturing competitiveness, innovation ecosystem and strategic self-reliance. BEL is well positioned to contribute significantly towards these national objectives.

- Supporting private participation
- Collaborative R&D
- Facilitating testing facilities to private entities
- Supporting MSME / Startup ecosystem
- Consistently exceeding target for mandatory procurement of 25% through MSEs
- Registered on TReDS platform for faster payments to MSEs

Embedding innovation and performance-driven culture

Our investments in R&D are focussed on strengthening our world-class technological capabilities and fostering a culture of innovation, excellence and continued improvement. We are investing strategically in advanced and disruptive technologies to develop future-ready solutions that address evolving defence requirements. These investments not only strengthen BEL's innovation pipeline, but also reinforce our position as a leading contributor to India's vision of technological self-reliance and strategic capability development.

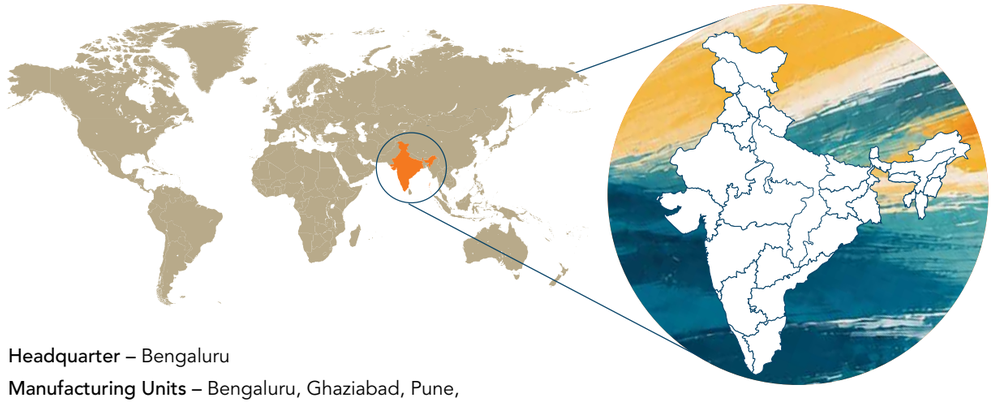
Continuing a strong focus on ESG

- A leader in ESG practices within the Aerospace and Defence sector
- Set roadmap to achieve Net Zero Scope 1 & 2 emissions by 2030, aligning with the national goals on decarbonisation
- Achieving high ratings on ESG, signifying strong fundamentals and risk management in sustainability, excellent performance in sustainability and ethics

Maintaining a positive growth outlook for the future

- A strong and growing order book with robust order inflows
- Maintaining growth in defence production and exports
- Leveraging the growing demand for indigenous equipment
- Ensuring effective, efficient and faster execution of projects
- Sustaining the growing EBITDA margins with operating leverage
- Sustaining guidance on topline growth
- Domestic defence, exports and services to lead future growth

Growing scale with an expanding domestic presence



- **Headquarter** – Bengaluru
- **Manufacturing Units** – Bengaluru, Ghaziabad, Pune, Machilipatnam, Panchkula, Chennai, Kotdwar, Hyderabad and Navi Mumbai
- **Overseas Offices** – USA (New York) and ASEAN countries
- **Marketing Offices** (National, International And Civilian) – New Delhi
- **Regional Offices/Liaison Cell** – Delhi, Mumbai, Visakhapatnam, Kolkata, Nagpur and Agra
- **Regional Product Support Centres (RPSC)** – Guwahati, Port Blair, Jammu, Chandigarh, Allahabad, Jodhpur, Sulur, Bhatinda, Vadsar, Panchkula, Pathankot, Leh, Bagdogra, Kolkata, Agra and Chabua
- **Product Support** – Delhi
- **Central Research Laboratories (CRL)** – Bengaluru and Ghaziabad
- **Water Front Support Centers (WFSC)** – Chennai, Port Blair, Kochi, Karwar, Visakhapatnam, Kolkata and Mumbai
- **Product Development and Innovation Centre (PD&IC) and Centres of Excellence** - Bengaluru
- **Software Development Centre (SDC)** – Visakhapatnam, New Delhi and Indore.

Map not to scale. For illustrative purposes only.

MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholders,

As the Chairman and Managing Director of Bharat Electronics Limited (BEL), it is an honour and privilege for me to share with you the Company's achievements, key highlights of the financial year 2025-26 and the future outlook.

During the year, with all your support, your Company demonstrated resilience and strategic agility, and was able to perform exceptionally well, driving significant value across the stakeholder ecosystem. Your Company maintained its growth momentum by delivering robust operational and financial performance with enhanced emphasis on R&D, quality, expansion of manufacturing facilities, exports and sustainability initiatives.

I am pleased to share that your company has achieved a market capitalisation of ₹ 2,92,867 Crore as on 31 March 2026 – a testament to our commitment of adequately rewarding our shareholders. Your Company has advanced in its pledge towards sustainable operations and community development. As I reflect on the performance, achievements and outlook of your Company, I also deeply acknowledge the contribution from our stakeholders which enables us to execute our long-term strategy and deliver sustainable and compounding value. I am deeply grateful for your continued trust bestowed on us, which remains our key driving force of sustainable growth.

Your Company continued to maintain its leadership position in supplying equipment/systems to India's Defence Forces, and is on a steady growth path.

Highlights of Financial Year FY 2025-26

In FY 2025-26, BEL achieved a turnover of ₹ 26,680 Crore as against ₹ 23,024 Crore in FY 2024-25, registering a YoY growth of 15.88% driven by our strong performance across segments and regions. Defence continued to be our mainstay contributing to 88% to total revenue in FY 2025-26, while non-defence contributed the remaining 12%.

BEL achieved export sales turnover of US$ 141.96 Million, growing by 33.71% as against US$ 106.17 Million in FY 2024-25. In a clear indication of our growing acceptance in the global market, our products continued to find increased orders from countries like France, United States, Spain, Israel, Armenia, Mauritius, Sri Lanka, ASEAN, Denmark, Colombia, Sweden, and also the Special Economic Zones. Some of the major products/systems that were exported included – Radar Warning Receiver, Missile Approach Warning System, Communication Equipment, On-board Naval Equipment, Coastal Radar System, Maritime Reconnaissance Centre, TR Modules, Micro Modules, Vacuum Interrupters, Software Services, EOS CoMPASS, 3D Surveillance Radar, Portable Surveillance System, C4ISR Training, ESM Systems, NFS Network, Medical Components, Shelters, and more.

Your Company reported exceptional performance across all the key metrics and all our nine manufacturing units performed well. Profit After Tax (PAT) stood at ₹ 6,048 Crore in FY 2025-26, growing by 14.38% against ₹ 5,288 Crore in FY 2024-25. Net Worth increased from ₹ 19,698 Crore in 2024-25 to ₹ 23,698 Crore in 2025-26. Turnover Per Employee increased from ₹ 2.60 Crore in FY 2024-25 to ₹ 2.83 Crore in FY 2025-26.

Innovation is a key differentiator at BEL. During the year, we continued making investments in advanced technologies to deliver unique products and solutions to our customers. This was aimed towards delivering on our commitment to increase indigenised content and add value to our offerings amidst the growing competitive intensity. Investment in R&D as a share of total turnover was 7.68% this year. Our constant endeavour towards fostering local innovation and development led us to achieve 84% of our turnover from indigenous products.

Your Company remains at the forefront in continuously developing innovative and quality products for our customers. Some of the major products/systems introduced during FY 2025-26 were – AESS LR & MR, ATM & ASMGCS System, FDWS for Naval platforms, Side Scan SONAR, Indigenous SPAD, 5G Solution for Railways, Network Accelerator, T/R Modules for VHF Radar, X-OTRM for CoLoR, Mobile C4I Prototype, AESA Antenna for Arudhra, Semi Active Phased Array CAR-Shaped Reflector Antenna, LYNX U2 GFCS for NGOPV, Missile Checkout Facility, Akash Prime Simulator, AD GUN Training Simulator, Sights BMP Upgrade

Growth of 15.88% in Turnover

Program, EO Sight for Himashakti, 20 KW ASR SSTx, 300Mbps HCRR, and High Data Rate Waveform SDR, among others.

Your Company received orders valued at ₹ 30,045 Crore during FY 2025-26. Some of the major Defence orders included Avionics for LCA, Mountain Radars, EW Suite for Helicopters, Air Defence Radars, EOIR Payloads for Airborne and Naval Platforms, EW Systems for Naval Platforms, Fire Control & Sighting System for Tanks, Mobile Communication Terminal, Network Systems, Counter Unmanned Aerial System, Upgrades, and Spares & Services. Our major orders in Non-Defence orders included Communication Equipment, IT Infra, Airport Surveillance Radars, Software Solutions, Automatic Train Supervision System and EVM. On the export front, the major orders received included Communication Equipment, Satellite Communication Network, TR modules, Electronic Fuzes, drones, and more. Our total order book of ₹ 73,882 Crore as on 1 April 2026 continues to be healthy, with projections of healthy order inflows in the next 2-3 years.

Your Company gives supreme importance to generation and protection of Intellectual Property (IP). BEL was granted 51 patents in FY 2025-26, with the total number of patents reaching 344, Total number of IPRs filed in FY 2025-26 stood at 152, which included 94 patents. Over 101 technical papers were published by our scientists and R&D engineers in various national and international journals, seminars and conferences.

The key performance highlights of the year are:

- Advanced Night Vision Devices facility (ANVDF) at Nimmaluru in Andhra Pradesh was inaugurated by Hon'ble Prime Minister in October 2025.
- A new facility for land-based Electronic Warfare System has been created at Ibrahimpatnam, Telangana.
- The outdoor testing facility has been operationalised at Defence System Integration Complex, Palasamudram, Andhra Pradesh.
- Formed and operationalised a joint venture with IAI, Israel (BEL IAI AeroSystems Pvt Ltd), for addressing product support requirement of MRSAM program.
- Setting up testing facilities at four (04) Section-8 companies incorporated under Defence Testing Infrastructure Scheme (DTIS) of MoD on mission mode for supporting India's Defence industry, including MSMEs and start-ups.
- Set up four new Regional Product Support Centres (RPSCs) at Jodhpur, Pathankot, Kolkata and Chabua to provide customer support service and to improve the response time.
- A new Software Development Centre has been operationalised at Indore to develop mission critical software solutions and services.
- Empanelled 38 partners towards Collaborative R&D, including 36 Design Service Providers, 1 Production Service Provider, and 1 Consultant.
- Received additional Green Channel Certificate for four products from the Pune Unit. With this, BEL now has Green Channel Certificates for a total of 92 Products across 13 SBUs/Units.

You will be proud to learn that your Company has received several awards and accolades during the year. Some key recognitions are as below:

- BEL Kotdwar won the "Platinum Award" at the CII-EXIM Bank Excellence Awards
- BEL Ghaziabad won Best OSH (Occupational Safety & Health) Performance 2024 in the "Exemplary Category" by VZRSI

Revenue through defence business is 88%

- Received the 'PSU Samarpan Award' by GovConnect
- BEL Bengaluru received the Golden Peacock Quality Award-2025
- Received the PSE Excellence Award for Cyber Security under the category of "Enterprise Security"
- Recognised with Governance Now 10th PSU IT Award for "Cyber Security and Data Protection"
- Won the Financial Express CFO Awards
- Received the Kalinga Excellence National Award 2024
- Recognised with Greentech Award for "Excellence in Quality Management Systems"
- Received the DSCI Award for "Best Cyber Security Practices"
- Won the SKOCH ESG 'Gold Award 2025'
- Received 'Vishisht Award (2024-25)' for BEL Panchkula

Future Outlook

Continued growth in the Indian economy and turbulence in the global security environment have led to accelerated military spending and pushed defence replenishment at the forefront. Envisaging sustainable growth, your Company is advancing its strategic priorities to stay ahead of competition and strengthen its position among the world's leading defence companies.

Your Company continues to realign its efforts to emerge as a technology power house driven by the twin objectives of 'AtmaNirbhar Bharat' and increased integration with the global defence market. Also, the Government's vision of Viksit Bharat and its emphasis on 'Make in India' offers a significant opportunity for your Company to enhance its indigenisation efforts for the development of next generation defence manufacturing in India.

Filed application for 152 IPRs

Moving forward, BEL is targeting a healthy growth of 15-20% in the financial year 2026-27. Segments like Radar and Weapon Systems, Communication and Network Centric systems, Electronic Warfare & Avionics system, Anti-Submarine Warfare & Sonar Systems, Tank Electronics and Gun Upgrades, Electro Optic Systems and Unmanned Systems will continue to drive growth in the coming years. Non-Defence segment businesses like Rail & Metro solutions, civil aviation solutions, network and cyber security solutions and other diversification areas will also continue contributing to growth.

To retain a leadership position in strategic electronics, your Company has devised key strategies and initiated significant plans to rise above competition, enhance indigenous content through in-house R&D, and maintain its technological edge.

Your Company has always been according a larger emphasis on indigenous development of systems and services. In this regard, we are constantly enhancing our capabilities and competitiveness by reinforcing indigenisation, diversification, continuous modernisation, creating several world-class facilities for R&D, testing and production, skill development and outsourcing to Indian industries with increased thrust on collaboration, including MSMEs/Startups/Academia. In Non-Defence, your Company is pursuing increased business in the field of space electronics, satellite assembly and integration, railway & metro solutions, civil aviation, software solutions, network and cyber security solutions, homeland security, and medical electronics, among others.

Your Company's future looks promising, and at the same time, it is also challenging. We always remain vigilant of geopolitical vulnerabilities, emerging/disruptive technologies, regulatory changes and evolving customer expectations. We remain agile to be able to effectively address these challenges and ensure steady growth

path. In the current changing business scenario, your Company maintains a strong focus on enhancing interaction at various levels and building long-term relationships with customers, emerging strategic partners, and other key stakeholders in the Indian Defence industry as a trusted and committed partner.

Your Company has always been working on providing indigenous solutions to the customers, creating an opportunity to provide import substitution and promote innovative solutions for the defence equipment. Your Company has obtained several Project Sanction Orders under 'Make-II' for which product development is underway. It has also responded to several 'Make-II' projects in line with the core business.

The Company's focus remains on building excellence through sustained growth in all the segments that we operate within. It is important to keep abreast with innovative technologies and develop new products, to regularly meet the requirements of our customers, and to provide cost effective and innovative solutions. Our thrust on R&D shall continue with roadmaps designed for future products, new technology areas, intellectual property creation, and the acquisition of key technologies and filing of patents.

Your Company continues to lay an increased emphasis on working closely with DRDO labs, research and academic institutions, and with niche technology companies and consultants for the development of new products and systems. We have been working on emerging technologies such as high power microwave and laser, MIMO/Quantum/Photonics-based radars, quantum communication, space tech, autonomous system, stealth detection, RF/IR seeker, AI/ML/IoT/IoMT, cyber forensics, future defence communication (Mil 5G/6G,FSOC), cognitive EW systems and radio, robotics, photonics-based EW System, QKD based security solutions, strategic semiconductors (Low-light and IR detectors) with support from our R&D collaboration with academia and start-ups.

On the Export front, the Company's order book, as on 1 April 2026, stood at US$ 495.51 Million. Your Company also strives to enhance business opportunities in Latin America, Africa, CIS countries, South East Asia, Europe and Middle East through incessant engagement with customers. We also work closely with other Indian companies and local partners in the respective countries to maximise the geo-strategic reach and increase our global footprint.

A Strong Commitment to Sustainability

At BEL, ESG is not just a corporate social responsibility exercise. It is a core business strategy for driving long-term growth.

Considering the importance of ESG under SEBI's BRSR framework, BEL underwent a comprehensive ESG assessment. It has been accorded with a prestigious CareEdge-ESG1 rating a score of 73.8, which makes it the first Indian A&D company to achieve the top score. The rating underscores the Company's strong commitment to sustainable development and its continuous efforts to embed ESG principles across all facets of its operations.

Your Company has reached a defining milestone in its sustainability journey by achieving RE100 status. This implies sourcing 100% of our electricity from renewable energy. Demonstrating our continued focus on energy excellence, your Company has achieved certification under ISO 50001:2018 (Energy Management Systems) across all our manufacturing units, highlighting our commitment towards achieving the highest standards of energy efficiency and optimal resource utilisation across the value chain.

Your Company's corporate performance, which is measured in terms of the economic, environmental and societal parameters, augurs well to reinforce our image as a socially responsible corporate entity. At the Company, sustainability endeavours are encompassed in its commitment to behave ethically and contribute towards economic development, while improving the quality of life of the workforce, the families and the local community and society at large. We are making great strides towards reducing emissions, achieving water positivity, and becoming a circular economy. The philosophy of recycle, reuse and reduce will also continue to be implemented across the Company in order to create an even greener future.

Your Company has reached a defining milestone in its sustainability journey by achieving RE100 status.

Your Company strives to achieve inclusive growth and social equity by building capacities and capabilities, and empowering the marginalised population. Our community-led initiatives focus on sustainable institution building and multi-sectoral development, delivering measurable impact across healthcare, education, skill-building, rural empowerment, and environmental sustainability.

This year, your Company's notable initiatives are primarily in healthcare and education sectors, which include Image Guided Therapy (IGT) Facility in the Interventional Radiology Division at NIMS, Hyderabad; Setting up of an Obstetric Intensive Care Unit (OICU) and a Neonatal Intensive Care Unit (NICU) at MCH in Yadgiri Institute of Medical Sciences (YIMS), Yadgiri Aspirational District; AI based Digital Microscopy Devices for Haematology and Urine Microscopy in CHCs/ PHCs and District and Sub-district Hospitals and Polyclinic in Gurugram district; and Smart Classrooms in Malkangiri Tribal District of Odisha. We supported Uttar Pradesh State Industrial Development Authority (UPSIDA) with Garbage Tippers for the collection and transportation of industrial waste in Ghaziabad, which is expected to benefit more than 25,000 people every year, especially from the economically backward communities.

Your Company takes pride in constantly adopting and maintaining the highest standards of values and principles. Your Company has received 'Nil' comments certificate from the C&AG for FY 2025-26. A comprehensive report on compliance with the Corporate Governance Guidelines can be read in Board's Report.

Acknowledgements

I am deeply grateful to our Board of Directors and members of the Management Committee for their unwavering support and visionary guidance. The Ministry of Defence and Defence Services have been our pillar of strength, providing us with valuable guidance continuously, and also supporting us with strategic direction while bestowing their confidence in us. I also extend my heartfelt appreciation to our shareholders, esteemed customers and business associates for their unrelenting trust in the Company.

The dedication, resilience and technological agility of our employees and officers at all levels and times continue to be our major strength. Through their efforts and support, we continue to deliver advanced, self-reliant solutions which enables us to meet our customers' evolving requirements.

As we step into the fiscal year 2026-27, we are making continuous efforts to launch new initiatives, build on our inherent strengths to face the emerging challenges, and sustain the forward momentum for profitable growth in the coming years.

Thank you for your continuous support to Bharat Electronics Limited.

With Best Wishes,

Yours Sincerely.

Manoj Jain
Chairman & Managing Director
Bengaluru
1 August 2026

BOARD OF DIRECTORS

(As on 1 August 2026)

GUIDED BY VISION. ANCHORED IN INTEGRITY.

Functional Directors / Whole Time / Executive Directors



Mr Manoj Jain
Chairman and Managing Director
② ③ ⑥ ⑦



Mr Damodar Bhattad S
Director (Finance) & CFO
Director (HR) - Additional Charge
① ② ③ ④ ⑤ ⑥ ⑦ ⑧



Mr Rajnish Sharma
Director (Bangalore Complex)
Director (Marketing) - Additional Charge
① ③ ⑤ ⑧



Mr Hari Kumar R
Director (R&D)
⑦ ⑧



Mr Kamesh Kasana
Director (Other Units)
① ④ ⑤ ⑥ ⑧

Part-Time Official / Government Nominee Directors



Ms Meera Mohanty
JS (P&C), MoD
① ②



Dr Binoy Kumar Das
DG (ECS), DRDO

Part-Time Non-Official/Independent Directors



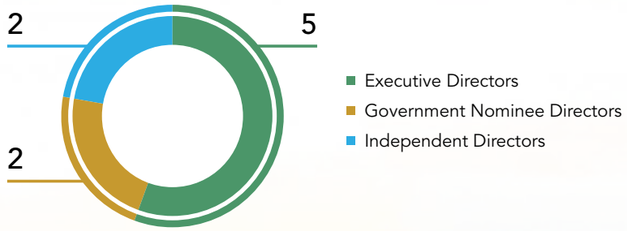
Mr Pradeep Tripathi
① ② ④ ⑧



Mr Bharatsinh Prabhatsinh Parmar
① ② ③ ⑤ ⑦

① Audit Committee
② Nomination and Remuneration Committee
③ Corporate Social Responsibility (CSR) Committee
④ Stakeholders Relationship Committee
⑤ Risk Management Committee
⑥ Share Transfer Committee
⑦ Research & Development Committee
⑧ Capital Investment Committee
● Chairman
● Invitee
○ Member
○ Co-opted Member

Board Composition



Profiles of the Directors can be read at: https://bel-india.in/leadership/

Company Secretary



Mr S Sreenivas

CVO AND SENIOR MANAGEMENT

(As on 1 August 2026)

POWERING OUR PURSUIT OF EXCELLENCE AND ACHIEVEMENT



Dr. P M Saravanan
Chief Vigilance Officer (CVO)



Mr Anoop Kumar Rai
ED (CRL) – GAD



Mrs Rashmi Kathuria
ED (SCCS) – GAD Cx & UH



Mrs Rama S
GM (Finance) – CO



Mr Pradeep Kumar Sethia
GM (IA) – CO



Mrs Dharani B
CTO (CoE-R&WS) – CO



Mr Viswanadham C H
GM (EWLS) – HYD & UH



Mr Srinivas K
ED (PD&IC)



Mr Giriraja N
ED (EW&A) – BG Cx



Mr Srinivas Rao H P
GM (IM) – Delhi



Mr Sanjay Agarwal
GM (CS) – CO



Mr Ambrish Tripathi
GM – KOT



Mrs Hemavathy Muthusamy
GM (NW&CS) – BG Cx



Mr Tribhuwan Narayana Singh
GM (HR) – BG Cx



Mrs Niti Pandit
GM – Pune



Mr Ramkumar B
GM (HR) – CO



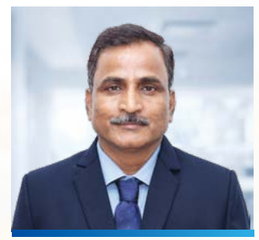
Mrs Manjula Devi N
GM (MS) – BG Cx



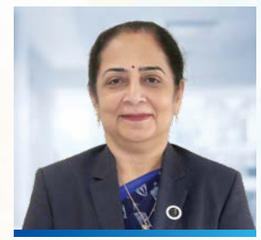
Mr Indrajit Singh
GM (Finance) – BG Cx



Mr Dheeraj Talwar
GM (Radar) – GAD Cx



Mr Sanjeevkumar Mahajan
GM (NS/R&FCS) – BG Cx



Mrs Deepa Bajpai
GM (NM) - Delhi

SENIOR MANAGEMENT

(As on 1 August 2026)

POWERING OUR PURSUIT OF EXCELLENCE AND ACHIEVEMENT



Mr Jayandran I
GM – NAMU



Mrs Seema Yadav
GM (Quality) – CO



Cmde. Srinivas (Retd.)
GM (A&A) – BG Cx



Mrs Rekha Sastry
CTO (CoE-Comm) - CO



Mr Chinnappa Rajappa Patil
CS (CRL) – BG



Mr Rakesh Kumar
GM (Software) – BG Cx



Mr Rajashekar G
GM (EWNS) - HYD



Mr Manish Kumar Chetiya
GM - PK

Mrs Hemalatha B J
GM (MR) – BG Cx

Mr Sameer
GM (NCS) – GAD Cx

Mrs Ruchi Pant
GM (TP) – CO

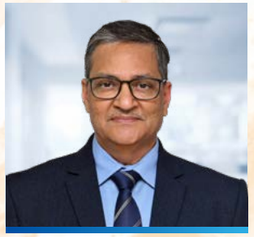
Mr Ramesh Mangipudi
CTO (CoE-EW&P) - CO

Mrs Mini Nair S
GM (NS/S&CS) – BG Cx

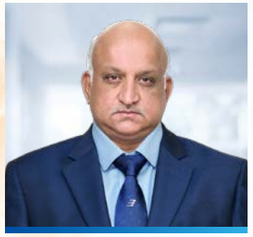
Mr Sunil Bhatia
GM (PS) - Delhi

Mrs Anuradha Mahur
GM (CM) - Delhi

Mr Anil Kumar Singh
GM (SP) - CO



Mr Dhirendra N Pandey
GM – MC



Mr Venkataramanan S
GM (ADSN) - BG Cx



Mrs Sangeeta Srivastava
GM (Mil Com) - BG Cx



Mr Kumaran P T
GM (Comps) - BG Cx



Mrs Deepika Gupta
GM (DCCS) - GAD Cx



Mr Hemant Kumar Gupta
GM (US) - BG Cx



Mr Jagadish Kumar G
GM - CHN

BUSINESS MODEL

BUILT AROUND A SUSTAINABLE, VALUE-CREATION FRAMEWORK

Our value creation model revolves around high indigenisation, in-house R&D, and strategic alliances to guarantee sovereign-grade security, while driving significant long-term benefits for our stakeholders.

INPUTS

Financial Capital
₹ 22,497 Crore Capital employed

Manufactured Capital
- 9 state-of-the-art manufacturing facilities
- Collaborative working with the Indian Armed Forces and other civilian organisations
- Make-in-India partner with policies for MSMEs, startups and Indian corporates
- ₹ 892 Crore Total capex

Intellectual Capital
- Three-tier R&D: 2 Central Research Laboratories, 1 PDIC, 3 CoEs, 30 D&Es
- 3,295 R&D team
- ₹ 2,048 Crore Investments in R&D
- 1,502 Cumulative IPRs filed as on March 31, 2026 (Including 844 Patents filed)

Human Capital
- 9,420 engaged employees
- 21.51% female representation
- 80,611 man-days of training provided
- ₹ 9.83 Crore Expenditure on training & development

Social & Relationship Capital
- ₹ 107.78 Crore CSR budget
- Meeting quality requirements of defence and non-defence clients

Natural Capital
- ₹ 27.88 Crore Investment in sustainability initiatives
- 23.25 MW Renewable energy capacity (13.9 MW: wind power plants, 9.35 MW: Grid-connected solar PV power plants)
- 10,905 saplings to existing afforestation area
- 09 new RoHS-compliant components introduced. A total of 917 RoHS compliant standards are in place for areas of electronic, electrical and mechanical components

VALUE CREATED FOR STAKEHOLDERS

Business activities enabling value creation

Pinning down Customer Needs
- Enduring partnership with Indian Armed Forces
- Strategic alliances with global OEMs and governments
- Capitalising our domain expertise to be equipped with new trends and upgraded technologies

Research & Development (R&D)
- At the heart of our approach is innovation, driven by a strong in-house team, sustained R&D investment, technology development, and strategic external collaborations to emerge as a technology powerhouse in cutting-edge and disruptive technologies

Design, Development and Engineering of Products
- Ingenious and reliable product design
- Customer-centric development of products with support of state-of-the-art facilities
- Leap into disruptive and transformational technology areas
- Development and engineering with vast domain expertise, with field-proven and future-ready products and solutions

Manufacturing & Quality Assurance
- Prioritising process, product quality and operational excellence through modern manufacturing processes & techniques with continuous infrastructure upgrade
- Adoption of CII-EXIM Bank Business Excellence Model (for strategic and operational excellence) and Total Quality Management
- Leveraging Industry 4.0

Bidding and Contracting
- Structured framework for addressing customer requirements and contracts in a competitive multi-mode bidding environment
- Well-entrenched supply chain processes under a highly structured and transparent framework backed by robust digital platform (Enterprise Resources Planning system) with adequate transparency in-line with public procurement policies

Offering Product/ System Lifecycle Support
- Robust, multi-tiered product support mechanism tailored for mission-critical defence and civilian systems
- An extensive network of regional product support centres to enhance customer satisfaction focussing on long-term operational availability

OUTPUTS

Developing various electronic solutions for defence and non-defence segments.

*(Refer to **page 10** for detailed information on products manufactured)*

OUTCOMES

Financial Capital
- ₹ 26,680 Crore turnover
- ₹ 8,015 Crore EBITDA
- ₹ 7,491 Crore EBIT
- ₹ 6,048 Crore PAT
- ₹ 2,92,867 Crore market capitalisation
- ₹ 1,827 Crore dividend

Manufactured Capital
- 84% of turnover from indigenously developed products
- 88% of turnover from defence supplies
- ₹ 27,254 Crore value of production
- 44.57% of procurements from MSEs
- ₹ 11,690 Crore value of procurement

Intellectual Capital
- 275+ New products Commercialised
- ₹ 4,059 Crore R&D value addition
- 72 IPR granted (Patents: 51, Copyrights: 19, Industrial Designs: 02) during FY 2025-26
- 101 Technical Papers published in FY 2025-26
- 917 Cumulative IPR granted as on March 31, 2026 (Including 344 patents granted)

Human Capital
- ₹ 2.83 Crore turnover per employee
- LTIFR - NIL
- 5.58% Employee turnover rate

Social & Relationship Capital
- 21.4 Lakh CSR beneficiaries across India
- 3,600 MSEs and start-ups supported
- 44.57% of procurement from MSEs

Natural Capital
- Natural resource conservation
- 47,484.88 $MtCO_2$ emission prevented
- Increase in carbon sink and generation of oxygen
- Minimised hazardous waste 100% green energy consumption

STAKEHOLDER ENGAGEMENT

FORGING ENDURING RELATIONSHIPS TO SHAPE THE FUTURE

Value created in FY 2025-26

Shareholders

₹ 1,827 CRORE
Total dividend paid

Defence Customers

Differentiated products and turnkey solutions

Expanded network of support centres to provide product support and technical assistance

Non-Defence Customers

Differentiated products and turnkey solutions

Employees

₹ 3,091 CRORE
Employee benefits

80,611
Training Man-Days

Suppliers

3,600
MSEs and Start-Ups Supported

44.57%
of procurement from MSEs

Strategic Partners

Strengthened long-term partnerships

Communities

₹ 107.78 CRORE
CSR budget

21.4 LAKH
Lives positively touched

Customers

₹ 26,680 CRORE
Orders Executed

Export Customers

- Brand reputation, trust and credibility
- Customised solutions and lifecycle support
- Regulatory and compliance assurance

₹ 1,331 CRORE
Export order executed



SHAREHOLDERS AND INVESTORS

Relevant matters

- Profitability, growth potential and EPS
- Capital allocation
- Shareholder returns
- Engagement with Board of Directors
- ESG considerations
- Share price performance
- Adequate and timely information

Engagement channels

- Regular disclosures
- Annual General Meeting (AGM)
- Press Releases
- Annual Report
- Company's Website
- Conference calls with investors

Frequency:

- Event based/quarterly

Our response

- Delivered strong financial performance and regular dividend payment
- Implemented strategic measures for growth
- On-time submission of quarterly, half-yearly, and annual financial results
- Conducted con-calls and investors meet and AGM, facilitating engagement with management
- Provided e-voting facility to shareholders and addressed their grievances
- Disseminated requisite, adequate, and timely information to Stock Exchanges and updated the Company's website accordingly

DEFENCE CUSTOMERS

Relevant matters

- Indigenous design and development
- Manufacturing of state-of-the-art products and systems
- Competitive offerings
- Reliable project execution
- Timely delivery of products and services
- Comprehensive product lifecycle support and upgrades/product lifecycle extensions
- Obsolescence Management
- Customer satisfaction

Engagement channels

- Regular engagement to understand current and future requirements and provide innovative, indigenous solutions with contemporary technologies
- Periodic institutional meetings by senior management with key decision-makers and end users
- Regular engagement of senior management, marketing, D&E, and Project Teams with their customer counterparts to discuss their needs, requirements, and about their support expectations

Frequency:

- Institutional meetings: Quarterly / on need basis
- Joint working level meetings: Monthly
- Project teams: Regular On-going
- Spare Review meetings: half-yearly

Our response

- Launching development projects aligned with customer requirements, ensuring timely delivery through in-house development or collaboration with partners
- Engaging customers in joint development and review meetings, facilitating end user trials
- Seeking expert advice for project re-alignments as required through regular interactions with customer agencies
- Co-opting indigenous supply chain partners to develop Make-in-India solutions
- Maintaining contractual timelines and quality through enhanced programme management, manufacturing, quality assurance and supply chain processes
- Setting-up and expanding Regional Product Support Centres (RPSCs) and Water Front Support Centers (WFSCs) for on-site technical support, high service levels, spares supply, and obsolescence management

NON-DEFENCE CUSTOMERS

Relevant matters

- Converting customer requirements into products and solutions
- Products/solutions embedded with contemporary technologies and indigenous manufacturing
- Competitive pricing, reliable quality, and timely implementation
- Customer satisfaction

Engagement channels

- Regular interactions with customers and shareholders to understand the requirements
- Technology and business workshops for exchange of information
- Solution presentations, trials, and Proof of Concept demos to establish competencies and solutions
- Participation in exhibitions, seminars, and workshops

Frequency

Quarterly/on need basis/proactively

Our response

- MoU/collaboration agreements with key customers for identified products/solutions
- Co-opting indigenous supply chain partners to develop Make in India solutions
- Addressing concerns related to delays, product support issues, through liaisoning and concerned business units

EXPORT CUSTOMERS

Relevant matters

- Field-proven equipment with turnkey solutions
- Programme funding assurance
- Emphasis on quality and reliability
- Local presence for support and maintenance

Engagement channels

- Direct interactions, Engagement through Indian Mission abroad and Channel Partners
- Identifying Government and International Institutions / organisation funded programs & funding institution in India and abroad
- Inclusion of global quality & reliability process in manufacturing, testing and qualification process
- Identifications of channels for marketing, liaising, and product support services

Frequency

Weekly/Proactive approach

Our response

- Conducting one-to-one meetings, presentations, Video Conference and demos in India & abroad to the End Users
- Participation in Government and International Institutions / organisation funded programs. Meeting with Financial Institutions in India and Abroad for funding to customers
- Inclusion of global quality & reliability process and certifications in BEL for manufacturing, testing and qualification process. Gap analysis and filling the gaps to keep pace with modern & niche technology developments
- Participation in Defence exhibitions, seminars, and customer-organised meets in overseas target markets, Agreements with local companies for marketing, liaising and product support services
- Support through Indian mission abroad, Foreign missions in India and Overseas marketing offices

SUPPLIERS / VENDORS / CONTRACTORS

Relevant matters
- Compliance with Occupational Health and Safety Management System (OHSMS)

Engagement channels
- OHSMS details through purchase orders

Frequency
Monthly and need basis

Our response
- Handholding by conducting Awareness Supplier Development Programs
- 3 MSMEs conclaves organised by BEL
- 3 Quality training programs organised by BEL to MSME vendors

EMPLOYEES

Relevant matters
- Employee well-being
- Employee engagement
- Building trust
- Employee health and safety
- Work-life balance
- Learning & Development Initiatives

Engagement channels
- Learning and development
- Performance management
- Townhall meetings and newsletters
- Career Development
- Employees well-being
- Health & safety measures
- Onboarding new talent

Frequency:
- Ongoing

Our response
- Comprehensive medical care for employee and their families
- Flexi-timing work arrangements
- Communication of policies through intranet and website
- Welfare measures
- Health and safety measures at workplace
- Annual preventive health check-up for employees
- Timely resolution of grievances
- Transparency in performance appraisals
- Participative forums
- Sponsorship to a wide array of capacity building interventions such as Web-enabled M.Tech programs in areas such as Industrial AI, IC Design, RF & Microwave, Information Security, Radar Systems & Technologies from premier institutions such as IIT-Madras & DIAT-Pune
- Certification Program in Artificial Intelligence & Machine Learning from IISC-Bangalore, Executive PG Diploma Program in Management from IIM-Visakhapatnam
- DAKSH Leadership Development program for Sr.Executives co-developed by CBC & SCOPE
- Global certifications such as Certified Information Systems Security Professional (CISSP), Cisco Certified Network Associate (CCNA), CQE, CRE, CMQ/OE, PMP to widen opportunities for career advancement and leadership development
- Mentoring Scheme for newly joined executives

STRATEGIC PARTNERS

Relevant matters
- Market demand/business opportunity identification
- Collaboration for pursuing opportunities for co-development, production, technology and exports
- Fair distribution of risk, investments, and anticipated benefits

Engagement channels
- Participation in industry meet/customer/Government events to facilitate senior management meetings
- Institutional meetings with potential strategic partners to identify opportunities of mutual interest
- Formation of joint working level committees
- Establishment of project teams for joint development and production
- Engagement with Subject matter / Domain expert to accelerate growth initiatives

Frequency
Quarterly/on need basis

Our response
- Aligning business priorities with market demand/opportunity
- Identifying complementary strengths and synergy for value creation
- Clearly defined roles, responsibilities and risk-sharing
- Due diligence in partner selection for capability, experience and technology maturity

COMMUNITIES

Relevant matters
- Inclusive community interventions focussing on development & institution building
- Driving local economic growth
- Sustainability-related initiatives

Engagement channels
- Interactions with Community / Local Administration (on-going engagement).
- Press Release in Print Media, Broadcast Media & Social Media (as & when required)
- Site Visits and Inspections
- Impact Assessment Survey

Frequency
Periodically

Our response
- CSR & Sustainability Policy in place
- Undertook need assessment surveys to deliberate action plan and obtain necessary approvals from local administration
- Ensured regular dialogue with key community stakeholders
- Undertook to address feedback expressed by the beneficiaries
- Site Visit & Inspection by CSR Monitoring Committee

REGULATORY BODIES

Relevant matters
- Applicable laws and regulations
- Contribution to national economic growth
- Labour Laws Enforcement Authorities

Engagement channels
- Regular meetings & reviews
- Participating in Government initiatives
- Ongoing- Regular meetings and reviews, Filing of periodic Returns & Reports

Frequency
Regularly

Our response
- Compliance with laws, regulations and policies
- Investment in infrastructure development contribute to India's economic growth
- Alignment of activities with Government initiatives like 'Make in India' and 'AatmaNirbhar Bharat'

RISK MANAGEMENT

NAVIGATING RESILIENCE WITH DISCIPLINED RISK MANAGEMENT

Close interconnection between risk management and strategy is crucial for striving a balance between growth and sustainability in an ever-evolving environment. At Bharat Electronics, we steer through the challenges from geopolitical complexities, technological obsolescence, time to market, supply chain disruptions and rigorous trade barriers/regulations.

Our comprehensive risk management framework eliminates blind spots, highlights interdependencies and enables us to visualise risks not as isolated events, but as connected forces shaping enterprise resilience.

Approach to Risk Management

The Company explicitly accepts a calibrated degree of technological and operational risk to achieve its vision, strategic goals and objectives. Risk absorption is based on the envisaged strategic benefits through deployment of effective risk mitigation measures. Focussed efforts shall also be made to minimise risks relating to ESG and cyber threats.

Risk Management Framework/Governance

BEL has an established Enterprise Risk Management (ERM) deployed across the Company covering all business units and functional areas. The deployment of ERM is based on the Risk Management (RM) Policy of the Company, approved by the Board, based on the recommendation of the Risk Management Committee (RMC) of the Board.

Risk Management Policy

The Risk Management policy in the Company is implemented through an established ERM framework across the Company. The Risk Management framework of the Company has a three-tier structure, with Board of Directors (BOD) through Risk Management Committee of the Board (RMC) at the Apex level; Corporate Risk Management Committee (CRMC) at the corporate level and Unit Risk Management Committee's (URMCs) at the Strategic Business Units (SBUs)/Units/R&D centres. The implementation of mitigation measures is further reviewed by the RMC and the implementation status is reported to the Board.

Risks which may have significant impact on the operations of the company, wherever deemed necessary, are reported to RMC. RMC reviews the Risks and recommends to the Board for further deliberations and approval of mitigation measures.

Principal risks and mitigation actions

TECHNOLOGY RISK

Technology is crucial in our Aerospace & Defence sectors, where integrating appropriate technologies into equipment, systems and platforms is essential for meeting customer preferences. Change in modern war tactics through adoption of disruptive technologies and warfare equipment poses an additional challenge for prioritisation of investments in technologies.

Misalignment may lead to not meeting tactical requirements of customers, significant resource loss and long-term impact on business. We mitigate these risks by being cognizant of the application of relevant technologies in the modern battlefields and its effectiveness; involving end users/customers during technology development, regularly reviewing processes, focussing on in-house or collaborative development, and exploring efficient technology acquisition models.

MITIGATION APPROACHES

Enhanced customer involvement

Engage end users/customers during technology/product development. Include customers in development and acceptance trials. Review, reassess, and incorporate necessary changes during product development.

Progressing with collaboration

- Increased engagement with start-ups, academia for cooperation on emerging and disruptive technologies, focus on in-house development of critical technologies
- Collaborate with national R&D institutions
- R&D process improvement to facilitate integration of multiple technologies and expedited conversion of technology portfolios into products

Efficient technology acquisition

Explore new models for technology development/ acquisition, improve efficiency and effectiveness in technology acquisition processes.

COMPETITIVE LANDSCAPE RISK

Government of India policies and budgetary allocations to develop the domestic defence industrial base through broadening of domestic supplier base, encouraging private sector participation, leading to continuous increase in competition and potential impact on our market position in certain segments.

MITIGATION APPROACHES

Design Optimisation

Optimise product designs to enable product features based on customer needs for price sensitive markets.

Strengthening in-house Development

- Emphasise development of high-value and high technology products
- Focus on strategic systems and turnkey solutions

Fostering Strategic Partnerships

- Foster partnerships with domestic private defence companies for co-development, manufacture for major make in India programs, in a consortium approach

Exploring market diversification opportunities

- Pursue product and market diversification strategies
- Explore select opportunities in non defence market and export markets to reduce reliance on domestic defence market

RISKS IN INPUT RAW MATERIAL/COMPONENTS SOURCING

Due to the tumultuous geo-political environment, the possibility of supply chain disruptions has increased substantially for the defence industry. Potential delays in receiving input materials and components due to supply chain discontinuities, capacity constraints in the global supply chain, long lead times, and vendor defaults caused by increased raw material prices.

MITIGATION APPROACHES

Expanding Sourcing Channels

Expand sourcing channels from different geographies for critical components, identify alternate vendors. Explore alternative logistics and freight channels.

Pre-ordering and Stock Management

Pre-order essential stock of long-lead-time components/raw materials. Ensure ready availability of critical items.

Advance procurements

Anticipate definitive customer orders and engage in advance procurements. Complete prepurchase order activities beforehand to streamline procurement and minimise delays

STRATEGY

STRATEGIC FOCUS AREAS AND PRIORITIES TO STRENGTHEN GROWTH

Opportunities

- Enhanced national security needs due to regional and global conflicts
- Upcoming requirements of mega-scale defence platforms
- Renewed momentum in India's Aerospace & defence sector
- Modernising military capabilities with increased budgets, policy support and strong focus on indigenisation
- Enhanced thrust for defence exports backed by export promotion policies and schemes

Strategic Objective 1

GROWING CORE DEFENCE BUSINESS

Focus Area

- Strategic Defence Projects
- Capacity expansion through investments on greenfield and brownfield defence projects

KPIs

₹ 27,898 CRORE

Orders received for Defence business

Strategic Objective 2

EXPAND NEW AREAS OF DIVERSIFICATION

Focus Area

- Rail & Metro and Civil Aviation
- Space Electronics and Systems

KPIs

₹ 2,147 CRORE

Orders received for Non-Defence business

Strategic Objective 3

ENHANCE EXPORT BUSINESS

Focus Area

- Part of global supply chain
- Export of major systems

KPIs

₹ 4,550 CRORE

Export order book (as on 1 April 2026)

Strategic Objective 4

STRENGTHEN R&D FOCUS

Focus Area

- Development of critical technologies

KPIs

₹ 2,048 CRORE

Investments in R&D activities in FY 2025-26



SUSTAINABLE RETURNS UNDERPINNED BY RESPONSIBLE STEWARDSHIP

Our commitment to delivering long-term, sustainable value continues to guide every aspect of our business. Driven by a strong foundation of integrity, innovation, and operational excellence, Bharat Electronics Limited remains focussed on creating enduring value for all stakeholders while advancing the nation's defence capabilities.

UN SDGs impacted

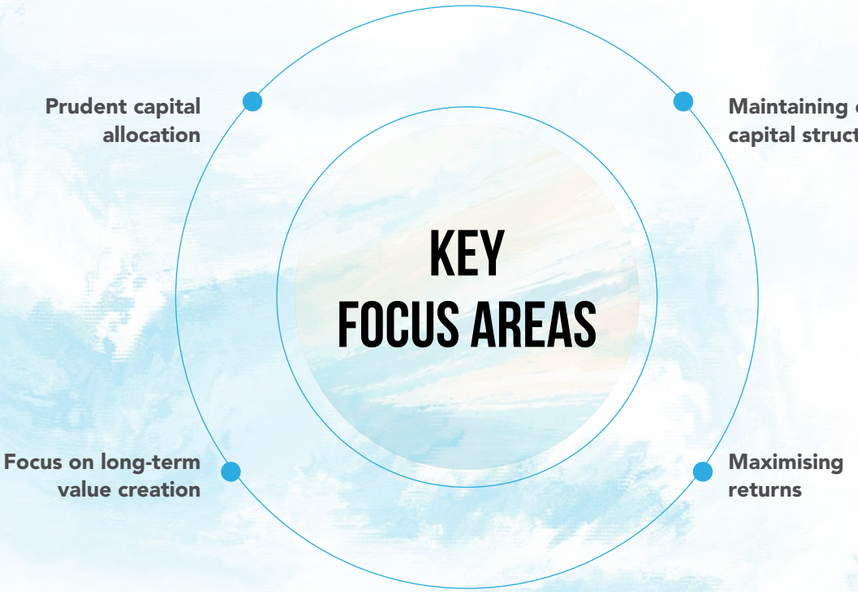
Key Highlights, FY 2025-26

₹ 26,680 CRORE
Turnover

₹ 8,015 CRORE
EBITDA

₹ 2,92,867 CRORE
Market Capitalisation

During the year, the Company delivered a resilient performance, supported by focussed initiatives to improve operational efficiency, optimise costs, and strengthen shareholder value. Growing investments in India's defence sector, coupled with a healthy and diversified order book, have resulted in robust order inflows, underscoring the increasing demand for indigenous defence solutions and providing strong revenue visibility for the future.



Financial Performance Review of FY 2025-26

Healthy order book and new order win momentum led to sales growth, driven by increased execution of significant orders and alleviation of supply chain challenges. During the year, our Net Worth improved to ₹ 23,698 Crore from ₹ 19,698 Crore in the previous year. As on 1 April 2026, our order book position stood at ₹ 73,882 Crore. During the year, the Company achieved its highest Turnover of ₹ 26,680 Crore, which grew by 16% compared to ₹ 23,024 Crore in the previous year. Profit After Tax (PAT) rose to ₹ 6,048 Crore vis-à-vis ₹ 5,288 Crore in FY 2024-25, reflecting a growth of 14.38%. Several indigenisation and cost reduction initiatives introduced in the past years helped increase EBITDA to ₹ 8,015 Crore, from ₹ 6,768 Crore in the earlier year. EBITDA Margin was 30% increasing from a range of 22% to 29% over the past years. The Company is confident of achieving similar growth in the coming years, and its future growth will be led by defence, exports, and services.

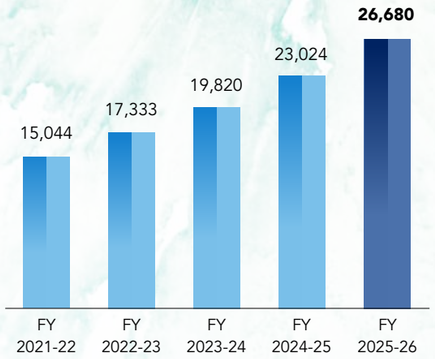
Capex and R&D

R&D has been BEL's key focus for increasing indigenisation and value addition in its products and systems. The Company's consistent investment in R&D (₹ 2,048 Crore in the year under review, comprising 7-8% of annual revenue) helped create a strong competitive moat. It enabled the Company to develop the latest generation products and services, and gradually increase indigenisation of its product offerings – the key pillars behind healthy margins. BEL continues to maintain its discipline with respect to capital allocation. In FY 2025-26, the Company invested ₹ 892 Crore in Capex mainly to cater to the emerging growth opportunities. The Company will continue to ensure that these investments are able to generate the optimum Returns (ROCE).

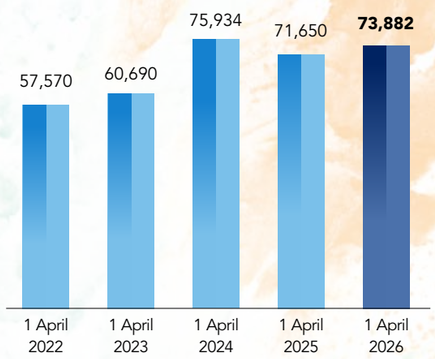
Credit Rating

During FY 2025-26, ICRA rated BEL AAA (Stable) with respect to long-term, and A1+ for short-term instruments. According to note from the rating agency, the ratings reaffirmation for BEL reflects its large scale of operations, strategic position as a dominant supplier of electronic equipment to the Indian defence forces, robust financial profile with negligible debt levels and healthy operating margins, and superior liquidity position reflected by its unencumbered cash balance.

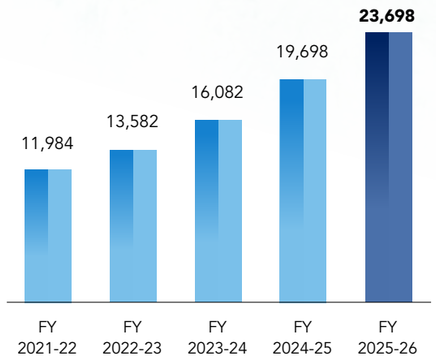
Turnover (₹ Crore)



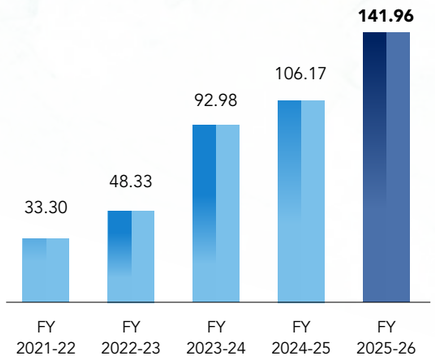
Order Book (₹ Crore)



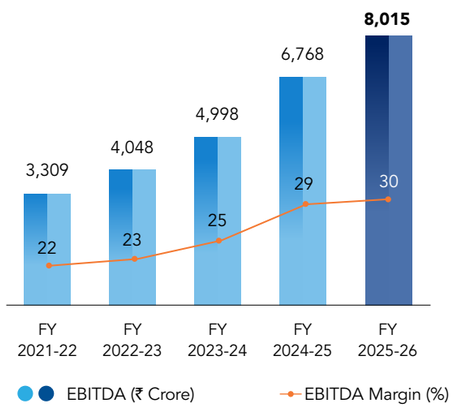
Net Worth (₹ Crore)



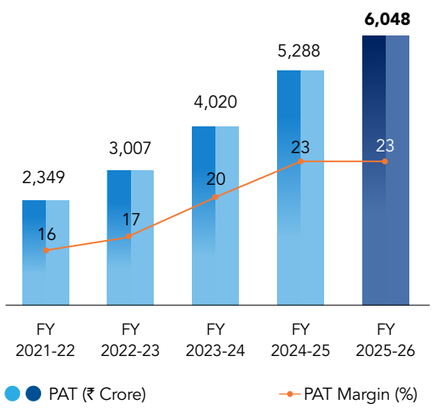
Exports (US$ Million)



EBITDA and EBITDA Margin



PAT and PAT Margin



Pioneering Sustainable Defence Manufacturing

This fiscal year, BEL solidified its sustainability leadership by becoming the first aerospace and defence enterprise to achieve a CareEdge-ESG 1 rating. This distinction highlights our advanced capabilities in managing ESG risks through transparent disclosures and high-performing policies. Consistent progress across critical pillars including emissions control, water stewardship, waste management, and ethical governance positions the Company optimally for a seamless transition towards sustainable, long-term operational growth.

Creating Value for Shareholders

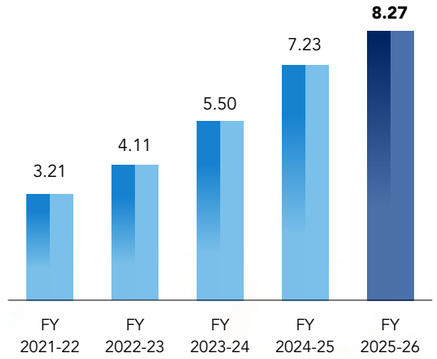
Creating sustainable value for our shareholders remains a key priority at Bharat Electronics Limited. Our strategic focus on strengthening the core defence business, expanding our presence in non-defence and export markets, and driving operational excellence enables us to deliver consistent growth and enhance long-term shareholder returns.

Our commitment to rewarding shareholders is reflected in our consistent dividend policy. Over the years, we have steadily increased our dividend payouts, and during FY 2025-26, the Company distributed a total dividend of ₹ 1,827 Crore. Our financial performance also remained robust, with Return on Capital Employed (ROCE) at 37%. With Return on Equity (RoE) exceeding 20%, strong cash flows, and improved CAGR, we continue to outperform our peers and are strategically placed to maintain the growth momentum.

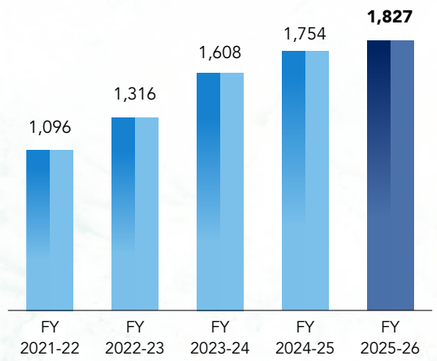
During the year, the Company's market capitalisation stood at ₹ 2.92 Lakh Crore, displaying investors' trust in our long-term growth prospects. We are the latest entrants to Nifty50 Index.

Moving forward, healthy order book enhances our revenue visibility for the future and contributes to a robust pipeline. We are confident of achieving similar growth in the coming years, and its future growth will be led by defence, exports, and services. We remain committed to delivering sustainable value, maintaining operational excellence, and living up to the confidence and expectations of our shareholders and the broader investment community.

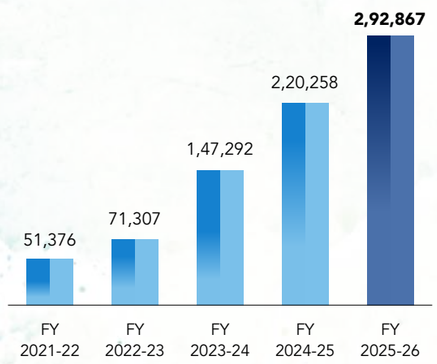
Earnings Per Share (₹)



Dividend Distribution (₹ Crore)



Market Capitalisation (₹ Crore)



MANUFACTURED CAPITAL



DRIVING GROWTH THROUGH OPERATIONAL EXCELLENCE

As a leading state-owned defence electronics company, we play a pivotal role in strengthening India's defence ecosystem through indigenous design, development, and manufacturing capabilities. Our projects contribute meaningfully to the nation's Atmanirbhar Bharat and Make in India vision, reinforcing self-reliance in defence production.

UN SDGs impacted

Key Highlights, FY 2025-26

30
Strategic Business Units

₹ 27,254 CRORE
Value of Production

Our manufacturing capital is built on a culture of continuous improvement, operational excellence, and technological advancement. By optimising processes, enhancing productivity, and driving manufacturing efficiencies, we are strengthening our execution capabilities while delivering superior value to our stakeholders.

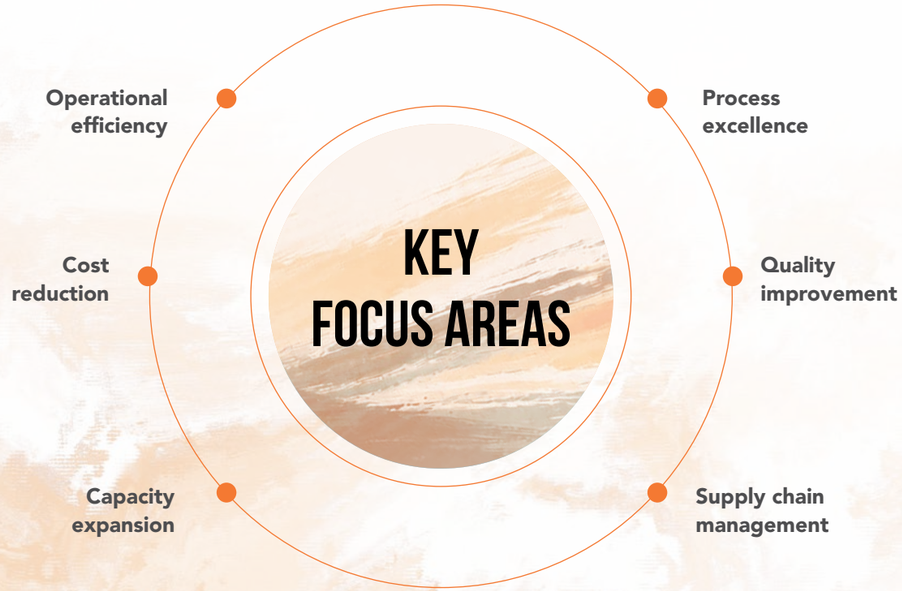
We possess a diversified portfolio of products, technologies, and manufacturing facilities that primarily serve India's defence sector. Our strong capabilities position us to capitalise on rising defence expenditure, increasing emphasis on indigenous manufacturing, and the growing demand for advanced, home-grown defence solutions. At the same time, we remain focussed on expanding our footprint in international defence markets while strengthening our presence in high-potential domestic non-defence segments, creating new avenues for sustainable growth.

Our technological capabilities enable us to address the evolving operational requirements of the armed forces with reliable, high-performance solutions. We design, develop, manufacture, and supply a comprehensive portfolio of advanced defence systems and solutions spanning radars, missile systems, military communications, naval systems, electronic warfare, avionics, C4I systems, electro-optics, tank electronics, weapon system upgrades, and electronic fuzes.

Supported by a strategically located network of manufacturing facilities across India, we are well-equipped to deliver at scale, while ensuring operational efficiency, timely execution, and sustained value creation. We currently operate 30 strategic business units at nine locations. Driven by our commitment to quality, innovation, and technological excellence, we continuously enhance our product portfolio to meet emerging customer needs.

The following system have been implemented:

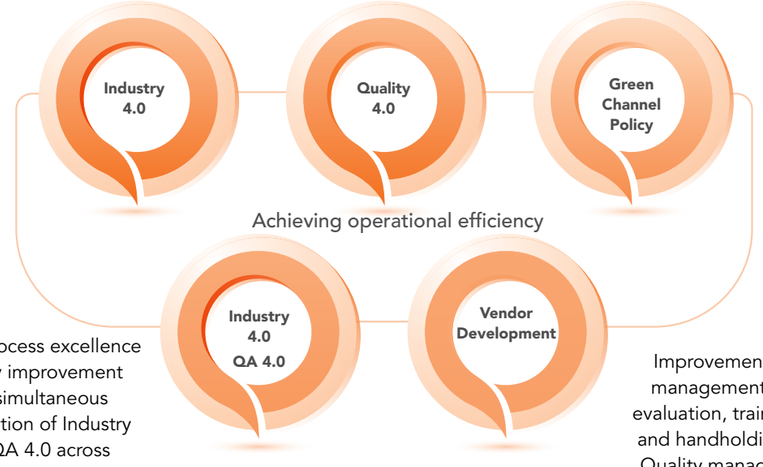
- Hybrid QA 4.0 for 15 identified products
- Online Customer Inspection and acceptance software WIQAS at Components, Military Radars, NS(S&CS), NS(R&FCS) and Mil. Com. SBUs, Chennai, Panchkula, Hyderabad and Ghaziabad units
- Industry 4.0 and QA4.0 at ADSN, NS(S&CS), Components SBUs and Machilipatnam unit
- Registration of Testing Labs in Defence Testing Portal



Overall operational efficiency improvement and cycle time reduction through Industry 4.0

Cost reduction and improving workflow efficiently through Quality 4.0

Leveraging the Green Channel policy benefits and optimising cost and time



Achieving process excellence and quality improvement through simultaneous implementation of Industry 4.0 and QA 4.0 across the organisation

Improvement in supply chain management through vendor evaluation, training, development and handholding towards robust Quality management system for vendor processes

Our Manufacturing Infrastructure

Bengaluru

Key Operations

- Military Communications
- Network Centric Systems
- Military Radars
- Weapon Systems
- Naval Systems
- Airborne Electronic Warfare & Avionic Systems
- Strategic Communication
- Unmanned Systems
- Homeland Security
- Strategic Components
- Seekers (RF)
- Arms & Ammunition (Precision Guided Munitions)
- Network & Cyber Security
- Coastal Surveillance Systems
- Electronic Voting Machines
- Software Solutions

Navi Mumbai

Key Operations

- Shelters for Systems
- MAST Systems
- Auxiliary Support Systems for Defence

Pune

Key Operations

- Laser Systems
- Combat Systems
- Electronic Fuzes
- Ammunition
- Energy Storage

Chennai

Key Operations

- Tank Electronics
- Gun Control Systems
- Airborne EO Payloads
- Gun Upgrades
- Navigation Systems

Panchkula

Key Operations

- Military Communication Equipment
- Jammers
- Avionics (HUD)
- Rail / Metro Solutions

Ghaziabad

Key Operations

- Network Centric Systems
- Radars
- Antenna Systems
- Satcom (Defence)
- Civil Aviation Solutions
- Rail & Metro

Hyderabad

Key Operations

- Land-Based EW Systems
- Naval-Based EW Systems

Machilipatnam

Key Operations

- Electro Optics
- Night Vision Devices
- Thermal Imagers
- Infra Red (IR) Seekers
- Anti Drone Systems

Kotdwar

Key Operations

- Tele-communication Systems
- Rail & Metro Solutions
- VCCS Solutions

OUR QUALITY CERTIFICATIONS

ISO 9001:2015 and ISO 14001:2015 (All Units / SBUs / Divisions C-QA Testing Facilities)

ISO 13485:2016 Export Manufacturing SBU, Bangalore complex

ISO 27001:2013/2022 14 units / SBUs / Divisions

ISO 14001:2015 and ISO 45001:2018 combined 7 certificates for Ghaziabad, Kotdwar, Navi Mumbai, Pune, Hyderabad, Panchkula and Chennai units

ISO 14001:2015 2 Certificates for Bangalore complex and Machilipatnam

ISO 45001:2018 for Bangalore complex

ISO 20000-1 Software SBU-Bengaluru

ISO 21001 EOMS 2 Certificates BAE and BEEI Bengaluru

AS 9100D 20 certificates units/SBUs and PDIC

CMMi Level 5 Software SBU-Bengaluru, Hyderabad Unit and CRL-Ghaziabad

NABL ISO 17025:2017 certification for 14 Testing Labs-Components and other 4 Testing Labs (C-QA) at Bangalore Complex, 3 Testing Labs at Ghaziabad unit, 2 Testing Labs at Hyderabad unit, 2 Testing Labs at Chennai Unit, one Testing Lab at Panchkula unit and one at Navi Mumbai Unit

CMMi Level 3 Chennai Unit, DCCS, NCS, SCCS, Radar and Antenna SBUs of Ghaziabad unit

AFQMS Certification for 12 units / SBUs-EW&A, SC&US and Components SBUs of Bangalore Complex, Radar, Antenna, DCCS, NCS and SCCS SBUs of Ghaziabad unit, EW-NS, EM-LS SBUs of Hyderabad unit, Panchkula unit and Kotdwar unit

ISO EnMS ISO 50001 Bangalore complex and all other Units

Key Initiatives Undertaken in FY 2025-26

Operational Efficiency

Industry 4.0 and QA 4.0
Achieving process excellence and quality improvement through simultaneous implementation of Industry 4.0 and QA 4.0 across the organisation.

Digital OARC
Digital OARC and streamlining the manufacturing process through Digital OARC. Cost reduction and improving workflow efficiently through Automation and Digitalisation.

Green Channel Policy
Leveraging the Green Channel policy benefits and optimising cost and time.

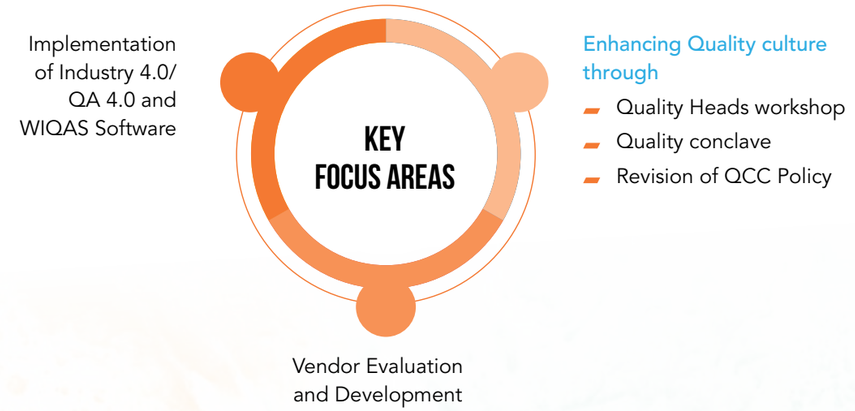
Digital Transformation & Industry 4.0
Overall operational efficiency improvement and cycle time reduction through Industry 4.0, moving from conformance to performance through Digital Transformation.

Vendor Development
Improvement in supply chain management through vendor evaluation, training, development and handholding towards robust Quality Management System for vendor processes.

Top Management Review
Dashboard creation, updation dynamically day-wise.

Implemented the below systems:

1. Hybrid QA 4.0 implementation taken up for 39 products in FY 2025-26. Development of Automated Test Equipment (ATEs) and automatic testing software for 39 products of 20 SBUs/Units.
2. Hybrid QA 4.0 Software for the Navy being used for all Naval products of ADSN, NS1, NS2, Milcom, Components and EWNS SBUs. Deployed in other Units also. Army version of Hybrid QA 4.0 Software developed and tested in MR SBU and Ghaziabad unit.
3. Air Force version of Hybrid QA 4.0 Software is developed and tested at Ghaziabad Complex.
4. Industry 4.0 pilot projects implemented in Components, ADSN, NS1 SBUs and Machlipatnam unit.
5. Initiative for Traceability through SAP:QR Code generation at IG inspection, Digital OARC - capturing of each Stage of Manufacturing/Assembly in SAP.



Cost Reduction

At BEL, cost reduction has been given a special focus in order to achieve optimisation on various fronts. Cost Reduction committees have been formed across SBU/Units of BEL, consisting of cross-functional teams and headed by a senior level executive. 'Corporate Cost Reduction cum Indigenisation Review Committee' headed by Director - Finance reviews the Cost Reduction performance of SBU/ Units every year.

To provide more thrust on cost reduction (under several avenues) and indigenisation across BEL, 'Indigenisation cum Cost Reduction Awards' were introduced during the year, asserting monetary rewards to winning SBU/Unit. This will enable further focussing on optimisation across the Company and also contribute towards achieving self-reliance in various products.

Capacity Expansion

In October 2025, BEL's Advanced Night Vision Product Factory at Nimmaluru, Andhra Pradesh was inaugurated by the Hon'ble PM, Shri Narendra Modi.

BEL's Regional Product Support Centre (RPSC) at IAF Station Chabua, Assam was inaugurated by Air Vice Marshal SS Rao, VSM, SMSO EAC in August 2025. The opening of this RPSC marks a significant step towards enhancing regional service capabilities in the Eastern Air Command Area of Responsibility (AOR).

The new Software Development Centre of BEL at Sinhasa IT Park, Indore was inaugurated by the Hon'ble Chief Minister of Madhya Pradesh. The Centre will focus on the development of AI-based products and technologies, along with Web based Quality Inspection Systems integrated with Industry 4.0.

BEL established a new Regional Product Support Centre (RPSC) at Pathankot in October 2025. Established on BEL's own land, the RPSC will also provide support to para-military and civilian customers.

Key Initiatives in Supply Chain Management

- Established 101 Long-Term Agreements (LTAs) with OEMs across Units/SBUs, and digitised the LTA process in SAP
- Migrated the purchase preference process for MSMEs from a manual to a system-driven workflow during tendering, including the L1 + 15% price band provision
- Initiated integration of the Srijan DEEP Portal with BEL ERP through APIs for automatic updation of DDP and other required data
- Initiated API-based Tender Automation to streamline procurement processes

INTELLECTUAL CAPITAL



FOSTERING INNOVATION THROUGH PERFORMANCE AND RESPONSIBILITY

UN SDGs impacted



Key Highlights, FY 2025-26

Total IPR as on 31 March 2026

1,502 Cumulative IPRs filed Including

844 Patents

917 Cumulative IPRs granted including

344 Patents

FY 2025-26

152 IPRs filed including

94 Patents

72 IPRs granted including

51 Patents

101 Technical Papers Published, Presented In Reputed Conferences, Seminars & Journals

396 Empanelled (Including 211 MSMEs) partners under Collaborative R&D

₹ 2,048 CRORE R&D investment

3,295 Individuals in R&D team

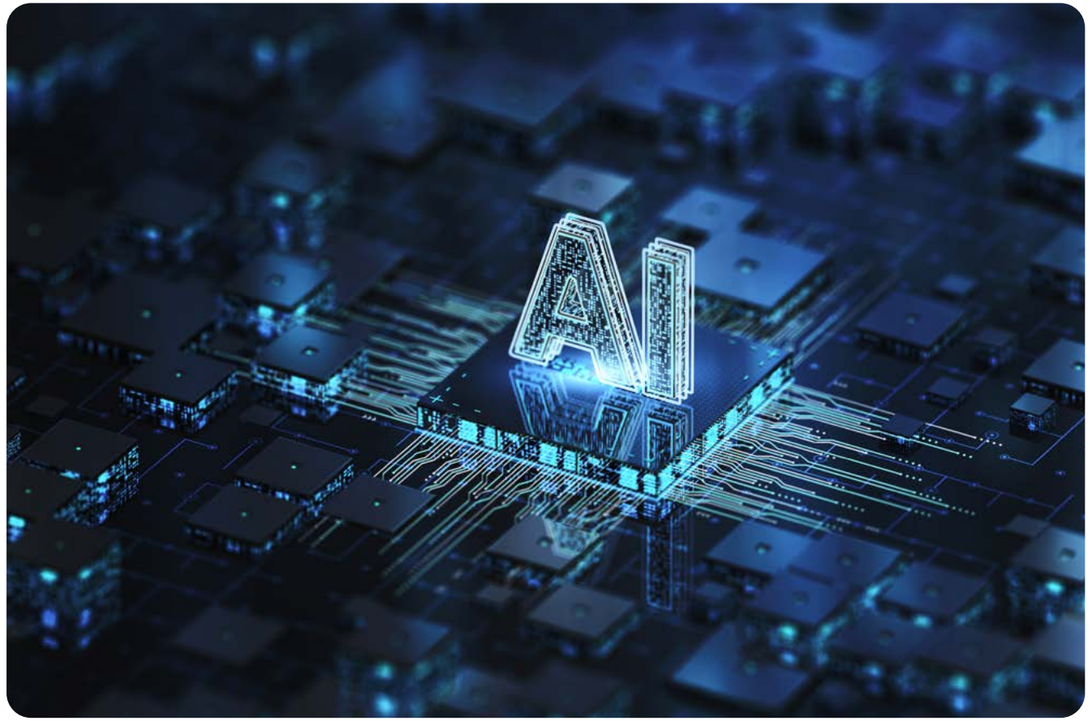
Key Focus Areas

BEL continues to strengthen its R&D ecosystem by driving innovation in emerging and disruptive technologies to support the nation's vision of Viksit Bharat. Recognising the transformative potential of Artificial Intelligence (AI), the Company has released a comprehensive "AI Policy Guidelines for Defence and Civil Applications" to accelerate the development and adoption of AI based solutions. Under the guidance of Director (R&D), a dedicated Indigenisation Cell has been established to provide a focussed approach towards enhancing indigenous capabilities and self-reliance.

In FY 2025-26, BEL recognised and celebrated the efforts and excellence in R&D by giving away the R&D Excellence Awards to 350+ R&D Engineers/Scientists. Marketing and R&D teams joined hands to initiate the first Summit of Marketing And R&D Teams (SMART 2025), with the one-day joint workshop focussing on the communication domain, where the teams have shared and discussed the upcoming marketing leads, customer demand and BEL's R&D capabilities, projects and plans.

The successful deployment of BEL developed systems such as IACCS, Akashteer and Counter Unmanned Aerial Systems during recent cross-border military response underscores the Company's strong R&D capabilities and its commitment to delivering mission critical indigenous defence technologies. This demonstrates BEL's capability to develop future ready, network-centric solutions for Integrated Air Defence and protection against emerging aerial threats. BEL is placing strategic emphasis on Electronic Warfare, Avionics, Cyber Security, Arms & Ammunitions, Unmanned Aerial Systems (UAS) and Counter UAS systems, while continuing to make sustained investments in R&D to deliver future-ready technologies that strengthen and contribute to India's vision of technological self-reliance.

BEL is strategically expanding its R&D focus into next-generation technologies such as Quantum, Semiconductor and Space to address the evolving requirements of defence and strategic sectors.



Research & Development

R&D centres

- Central Research Laboratories, Bengaluru and Ghaziabad
- Product Development and Innovation Centre, Bengaluru
- Centres of Excellence (Radar & Weapon System, Electronic Warfare & Photonics and Communication), Bengaluru
- 30 Design & Engineering Groups in 9 units of BEL across the country

Strategic Collaboration and Partnership Agreements

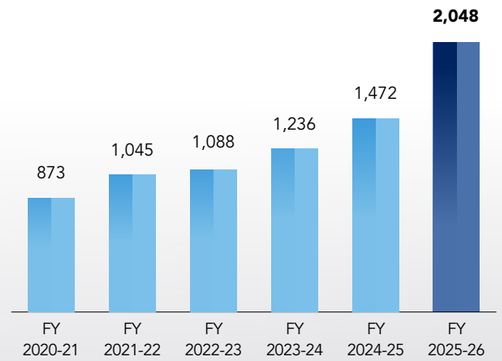
Strategic Partner	Areas of Collaboration
IIT Madras , IITM Pravartak, Chennai	Secure compute platforms and cyber resilience solutions
CSIR - CEERI, Pilani	Microwave Vacuum Electron Devices (MVEDs), RF and MW Products, Antennas, MEMS & allied products
IIIT Hyderabad	Applied AI, Intelligence Systems, Language Technologies, Robotics and Security Theory

(As on March 31, 2026)

Key R&D Initiatives undertaken in FY 2025-26

- Release of "AI Policy Guidelines for Defence and Civil Applications" by Hon'ble Raksha Mantri.
- Launch of "Centre of Excellence" for AI in presence of Hon'ble Raksha Mantri.
- Revision of "Delegation of Powers" for R&D project approvals.
- Formation of "Strategic Avionics Systems (SAS)" Strategic Business Unit in BEL Bangalore Complex.
- Establishment of Army [AARIC] Incubation Centre for AI
- Conduct of Conferences with DRDO & Industry partners in Niche Technologies [VEDA-2026, Silicon Sovereignty – EMIT 2026, AI Summit etc.]
- Participated in India AI Impact Summit – 2026
- Revision of R&D Excellence Awards Scheme to recognise R&D contribution & IP Creation.
- Formation of dedicated "Indigenisation Cell" for focussed approach towards self-reliance

Increasing Investments in R&D (₹ Crore)



HUMAN CAPITAL



STRENGTHENING THE ORGANISATION THROUGH A PERFORMANCE-DRIVEN, PASSIONATE TEAM

UN SDGs impacted

Key Highlights, FY 2025-26

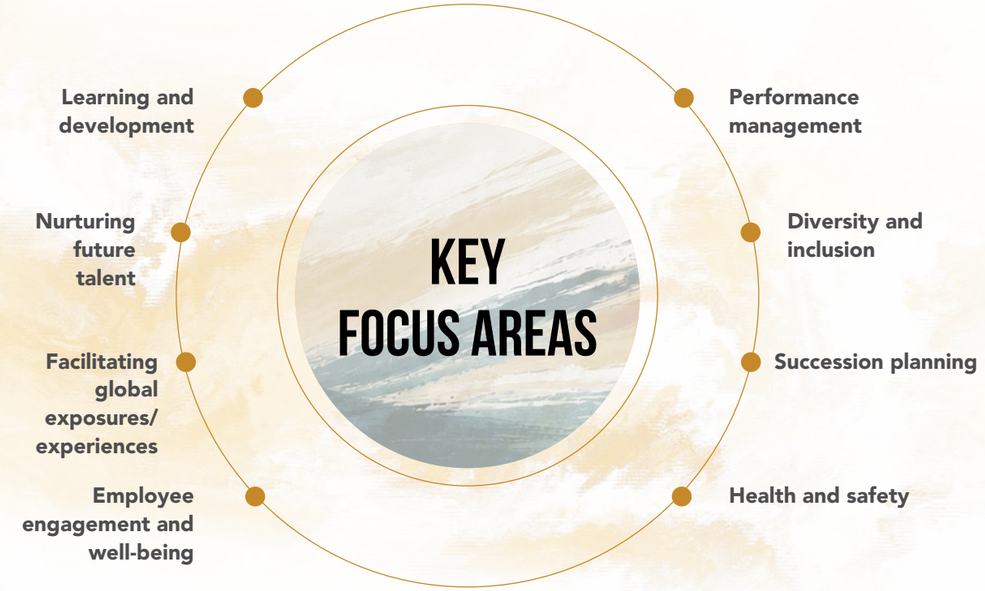
9,420
Permanent employees

2,026
Female representation

80,611
Man-days of training provided

₹ 9.83 CRORE
Investments on employee training and development

₹ 2.83 CRORE
Turnover per employee



Employee-related initiatives undertaken in FY 2025-26

Learning and development

At BEL, building workforce capability is a key strategic priority to ensure the organisation stays ready for the future. In a fast-changing technological world, the ability to adapt depends on having a skilled and knowledgeable workforce.

The core of BEL's strategy includes leadership development, talent enrichment, and effective succession planning. These initiatives are designed to support professional growth, improve skills, and encourage continuous learning. By proactively addressing the current and emerging needs of its workforce and the organisation as a whole, BEL aims to build a robust leadership pipeline and talent base that is well-equipped to meet today's challenges and embrace the opportunities of tomorrow.

BEL has always focussed on creating a competitive and flexible workforce through learning and development programs tailored for individuals and teams. With continuous learning as a central part of its culture, BEL prioritises improving Technical, Functional, Quality, Behavioural, and Leadership skills across all roles and levels.

To achieve this, a wide range of learning & development interventions are designed for both executives and non-executives. These interventions are facilitated through internal experts as well as partnerships with premier institutions like the IIMs/IITs and reputed global consulting firms. All learning and development interventions at BEL are designed in line with BEL's 4-tier Leadership Competency Development Framework (LCDF) while also aligning with overall organisational goals and employee career growth.

Alongside leadership development, BEL places equal thrust on functional competency development. Towards this direction, the Functional Competency Dictionary of BEL has been comprehensively revised to reflect the rapidly changing technological and industrial landscape and to align individual skills with our strategic goals. This document serves as the foundational roadmap designed to identify, nurture, and optimise the core technical and functional competencies that drive excellence across various functions in BEL.

In order to institutionalise continuous learning and development, BEL has established 2 dedicated training institutions:

BEL Academy for Excellence - Apex Training institution for Executives (Estb.2017) -1st PSU Training Academy to be certified with ISO-21001 EOMS, Accredited as 'Very Good' under National Standards for Civil Service Training Institutions (NSCSTI) by Capacity Building Commission (CBC).

Abhyudaya Centre for Learning – Apex training institution for Non-Executives (Estb. 2024)

Additionally, Corporate HRD conducts flagship programs for senior executives.

Key Learning and Development Initiatives

Nalanda – BEL Academy for Excellence (BAE):

Serving as the main training hub for executive capability building, BAE delivered over 180 programs during the year focussing on leadership, technology, and quality excellence. Several Management & Leadership Development Programs, competency enhancement programs and women leadership initiatives were rolled out to ensure leadership development across all levels of Executives. Technical expertise was strengthened through Web-enabled M.Tech programs in emerging technology areas, short-term programs in areas such as Anti-Drone technologies, RF & Microwave design, and Satellite Communication, etc., and global certifications programs such as Certified Information Systems Security Professional (CISSP) & Cisco Certified Network Associate (CCNA). Process and operational quality excellence was also enhanced through programs such as Total Productive Maintenance (TPM), 8D Problem-Solving, Primavera implementation, Internal auditor and lead implementer programs for ISO Standards - 9001, 14001, 45001, 27001, Aerospace Standards - AS 9100/9001 and certifications such as PMP, CRE, CQE, CMQ/OE.

BAE also signed an MoU with IIM Kozhikode for introduction of Professional Post-Graduate Diploma programs in Supply Chain Management, Marketing Management and General Management.

Corporate HRD:

Corporate HRD conducted flagship interventions designed for senior executives such as Accelerated Leadership Programs & Cross Functional Leadership Programs, Strategy Building & Leadership Workshops for Senior Executives and Board-level Leaders, Executive Coaching and Retirement Planning for Sr. Leadership. In addition, Functional area specific programs such as GlobeX – Essentials of International Trade for Marketing, MM & Finance Executives, Strategic Workforce Planning for HR Professionals, Innovation Leadership program for Executives in R&D function & Business Storytelling using data for senior executives working across functions were conducted to promote functional excellence.

In addition, online mandatory micro-learning modules with assessment on compliance matters in alignment with BRSR and NGRBC guidelines such as Right to Information, Cyber Security & Data Privacy, Health & Well-being, Safety, Vigilance & Anti-Corruption and ESG Awareness etc. were introduced for all employees.



Abhyudaya-Centre for Learning (ACL):

Operating as the centralised learning facility for non-executive employees across all Units and offices, ACL focusses on upgrading skills across Technology, Quality, Functional & Behavioural domains. Key trainings delivered include programs related to core electronics, mechanical systems, manufacturing techniques, and digital tools like SAP and MS Office. ACL also conducted training programs on team effectiveness, communication skills, quality tools, manufacturing standards and IPC certifications. To ensure strong governance and well-being, ACL has conducted mandatory programs on POSH, cyber security, safety, and workplace ethics, alongside induction programs for new hires and retirement planning programs for non-executives across Units.

BEL has also nominated employees for relevant external training programs and professional conferences to enable the workforce to stay abreast with latest developments in the respective domains and industry best practices.

These combined efforts demonstrate BEL's strong commitment to developing a positive, forward-looking learning culture that helps its workforce stay agile to handle emerging challenges.

Key Highlights in Learning & Development

80,611
Total Training Man-days

₹ 9.83 CRORE
Total Spend on Learning & Development

Employee Engagement and Well-being:

(i) Employees were rewarded for their contributions during Operation Sindoor.

(ii) RAKSHA – a compensation scheme for providing relief to employees who are injured or in case of fatalities due to war or hostile situation was launched.

(iii) Tough Location Duty Allowance was introduced for employees deputed to far-flung and tough locations on official assignments.

(iv) Project Management Excellence Awards were introduced to recognise and reward outstanding project teams / project managers for their contribution towards projects success by effective implementation and use of Project Management techniques and methods.

(v) Comprehensive dental treatment was extended to employees through empanelment of dental clinic.

(vi) National Pension System was launched to encourage employees to plan for their retirement savings.

(vii) Annual Preventive Medical Check-up was introduced for employees in the age group of 40 years and above.

(viii) The revised Plant Performance incentive scheme was formulated for Non-Executive employees.

(ix) The Management contribution towards Superannuation Pension was enhanced in respect of Non-Executive employees.

Diversity and Inclusion:

BEL has been undertaking various initiatives towards actively promoting equality and maintaining a culture of inclusion within the organisation. BEL has formulated the Diversity, Equity & Inclusion policy to nurture a workplace culture that values individuality, embraces diversity in all forms, free from bias, discrimination and exploitation of any kind. The policy embeds DEI principles into the core business strategy, and leadership commitment, while sensitising employees on understanding, respecting and valuing individual differences. The policy lays down the strategies and approaches in various business activities to create a fair and inclusive workplace.

Succession Planning:

We have a robust Succession Management plan which aims at providing a framework for identifying a successor pool for meeting the present and future leadership requirements of the Company. The succession planning mechanism aims to ensure sustained high performance through systematic identification and development of leaders for critical/ senior positions. Succession planning is an integral part of our Promotion Policy and Performance Management System. The BEL Academy for Excellence – Nalanda has a dedicated Leadership wing that works towards grooming executives with high potential for future leadership roles.

Employee Health and Safety:

The Company emphasises on promoting health and safety at the workplace to prevent injuries and fatalities and ensure that employees can carry out their jobs under safe and hygienic conditions. Preventive health care is given importance through organising annual health check-up for employees and periodic monitoring of the health of employees deployed in hazardous areas / jobs. The buildings and other infrastructure in the Company ensures that it is compliant with the safety regulations and provides a safe, healthy and conducive work environment.

Diversity at BEL

Employees by Type (%)



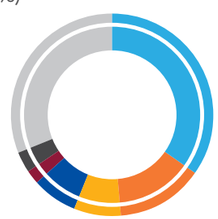
- Executives - 72.22%
- Non-Executives - 24.90%
- TC - 2.88%

Employees by Gender (%)



- Female - 21.51%
- Male - 78.49%

Employees by Composition (%)



- R&D - 34.77%
- Production - 14.09%
- Marketing - 7.30%
- Quality & Testing - 7.19%
- HR - 2.48%
- Finance - 3.14%
- Services Support - 31.03%

Employees by Socio-economic Groups (%)



- General - 45.40%
- Other Backward Classes - 29.25%
- Scheduled Caste - 18.55%
- Scheduled Tribe - 6.80%

SOCIAL AND RELATIONSHIP CAPITAL





BUILDING LASTING IMPACT ON COMMUNITIES WE SERVE

We firmly believe that organisational excellence encompasses both business performance and social stewardship. Endeavouring to fulfil social responsibilities remains one of the Company's core values, guiding its commitment towards inclusive growth, sustainable development, and nation-building.

UN SDGs impacted



Key Highlights, FY 2025-26

₹ 107.78 CRORE
CSR budget

21.4 LAKH
Beneficiaries positively impacted

Our Corporate Social Responsibility initiatives are centred on holistic community development, institution building, and sustainable development. Through focussed interventions, we strive to foster inclusive growth and equitable societal progress by strengthening community capacities and empowering marginalised and underprivileged sections of the society.

Our key CSR Interventions

Healthcare
We are strengthening the healthcare infrastructure in Government hospitals, Primary and Community Health Centres ensuring free and affordable access to medical facilities to the underprivileged sections.

Skill Development
We build a future-ready workforce by empowering youth and students with technical and employability skills, providing real-time industry exposure thereby enhancing the opportunities of economic independence.

1 **Education**
We are creating conducive learning environments in remote Government schools by upgrading and improving school infrastructure along with digital educational tools.

2 **Rural Development**
We undertake focussed initiatives in villages to promote inclusive community development and foster sustainable economic activities.

3 **Environmental Sustainability**
We are driving environmental sustainability by encouraging responsible resource utilisation and effective industrial waste management.

Enhancing Healthcare Infrastructure

Anchored in its core values of service, integrity, and social responsibility, the Company enhanced healthcare infrastructure in government hospitals and primary health centres across India, delivering tangible support to the underserved communities. The healthcare infrastructure for mother and child care has been augmented with Obstetric Intensive Care Unit (OICU) and Neonatal Intensive Care Unit (NICU) at Yadgir Institute of Medical Sciences, Yadgir, an aspirational district in Karnataka. Medical and Surgical Infrastructure has been upgraded at Mother and Childcare wing of Government Hospital, Bhadradi Kotheguedum, an aspirational district in Telangana.

Medical infrastructure has been enhanced at government hospitals and primary healthcare centres having huge footfall in Ghaziabad, Uttar Pradesh; Chigateri, Davangere, Karnataka; and Rodhamm and YSR Kadapa in Andhra Pradesh.

Two-stage Reverse Osmosis Plant has been provisioned to support patients undergoing dialysis to Department of Nephrology of Rajiv Gandhi Hospital and Madras Medical College, Chennai, Tamil Nadu. State-of-the-art Image Guided Therapy Facility to the Interventional



Radiology Division at NIMS, Hyderabad, Telangana has been a prominent facility established especially for cancer treatment.

Step towards social inclusion was taken up through distribution of Aids and Appliances to Persons with Disabilities in the districts of Ramanathapuram and Sivagangai in Tamil Nadu.

Promoting Education & Skill Development

Classrooms in remote schools of Malkangiri, an aspirational district in Odisha, have been augmented with smart learning panels supporting the access to digital learning tools. School in the remote and tribal district of Bharuch, Gujarat was augmented with smart panels, desks, hostel building and other infrastructure, enabling tribal students an equitable access to education along with digital learning tools.

Environmental sustainability

Uttar Pradesh State Industrial Development Authority was augmented with Garbage Tippers, ensuring industry waste collection in around highly industrialised areas of Ghaziabad, Uttar Pradesh reitoratimg the company's contined support towards promoting environmental sustainability.

Driving Community Development

Security and safety was ensured by commissioning 50 CCTV cameras in Kotdwar town. Installation of cameras has ensured safety and security of residents, especially women, fostering a secure environment for the community.

Key Initiatives of FY 2025-26

CASE STUDY 1

Strengthening Neonatal Healthcare Infrastructure

Sector: Healthcare

Saving Lives at the very first breath

₹ 1.25 CRORE
Investment

Beneficiaries

Approx. 300 newborns every year

Context :

The Postgraduate Institute of Medical Education and Research (PGIMER), located in Chandigarh, is one of India's premier medical institutions, renowned for its excellence in patient care, medical education, and advanced research. Catering to patients from across Northern India, the institute plays a critical role in providing specialised and tertiary healthcare services, including neonatal and paediatric care.

BEL CSR Intervention:

The CSR support is aimed at enhancing the institute's capacity to provide critical cardiac care services to premature and high-risk newborns requiring specialised medical attention. Electro Cardio Graphy equipment with paediatric and neonatal TTE and TEE probes has enabled the paediatric surgeons to deliver timely, efficient, and high-quality neonatal care, thereby improving treatment outcomes and survival rates. The intervention has been a boon to a large number of newborns and their families that are under privileged who depend on PGIMER for specialised medical care. By strengthening neonatal healthcare infrastructure, BEL seeks to contribute towards reducing infant mortality and improving maternal and child health outcomes.

CASE STUDY 2

KYAN: A Smart Classroom Solution to Remote Rural Schools

Sector: Education

Bridging the Digital Divide through Technology-Enabled Learning

₹ 0.6 CRORE
Investment

Beneficiaries

Approx. 600 school children

Context:

Mulugu and Bhadradri Kothaguedum, tribal and aspirational districts in state of Telangana are backward districts in terms of education index. The population is downtrodden, under privileged and has minimal access to facilities that enable to continue the education. Digital Learning tool is a far off dream in government schools of these aspirational districts. KYAN, a smart solution to a smart way of learning has transformed the way the education is imparted to rural children in the remote corners of these districts.

BEL CSR Intervention:

BEL has supported 30 Govt. schools in district of Mulugu and Bhadradri Kothagudem in Telangana State with KYAN Smart Class Solutions. KYAN smart class is a portable, one box solution with projector inbuilt Computer, Speakers, Camera and Wireless Keyboard, Mouse & Stylus with intergrated software. This device transforms any flat surface/wall into an interactive surface to create a connected classroom experience. KYAN is equipped with thoughtfully created content for LKG to 12th standard children that helps teachers create a more engaging classroom environment for the students.

CASE STUDY 3

CSR Support to Bhulli Mahila Sashaktikaran Kendra

Sector: Women Empowerment

Fostering Self-Reliance, Dignity and Economic Empowerment for Women.

₹ 0.48 CRORE
Investment

Context:

The Garhwal Rifles Regimental Centre, located in Lansdowne, serves as the training centre of the renowned Garhwal Rifles Regiment of the Indian Army. In addition to military training, the Centre actively supports the welfare of serving personnel, veterans, veer naris, and their families through various community development and empowerment initiatives. Bhulli Mahila Sashaktikaran Kendra plays a vital role in promoting skill development and self-reliance among women from Defence families, specially veer naris.

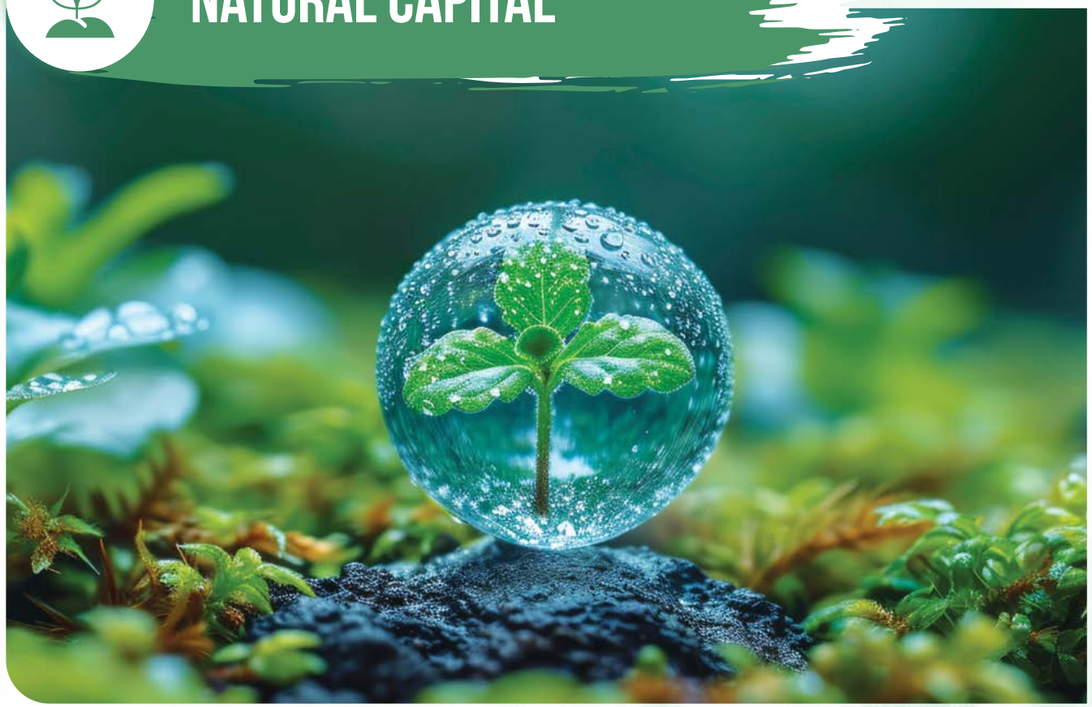
BEL CSR Intervention:

BEL supported the establishment and strengthening of vocational training infrastructure at the Bhuli Mahila Sashaktikaran Kendra by providing equipment like textile raising machine, Jacquard machine, multidesk open chiller etc., required for skill training and livelihood-generation activities. Bus has been provided to ease the commute of veer naris to the Kendra in the hilly terrain. The initiative has enhanced the Centre's capacity to impart vocational training and create sustainable livelihood opportunities for veer naris and women from Defence families.

Beneficaries

Veer Naris / Women residing in hilly terrains of Lansdowne

NATURAL CAPITAL



COMMITTED TO A SUSTAINABLE, CLIMATE-READY FUTURE

UN SDGs impacted

Key Highlights, FY 2025-26

13.9 MW
Wind power plants

9.35 MWP
Solar power plant Renewable Energy capacity

73.8
ESG Rating Score with Leadership position by CareEdge Ratings

47,484.88 MT
$MTCO_2$ Emissions prevented

334.35 LAKH
Units Renewable energy generated

100%
Green energy consumption

₹ 27.88 CRORE
Investment in sustainability initiatives

GREEN BUILDING CONCEPT
introduced in all new buildings

305 KWP
Grid connected solar plant at Bengaluru Unit

285 KWP
Grid connected solar plant at Ghaziabad Unit

239 KWP
Grid connected solar plant at Machilipatnam Unit

177 KWP
Grid connected solar power plant at Chennai Unit

136 KWP
Grid connected solar plant at Pune Unit

40 KWP
Grid connected solar plant at Navi Mumbai Unit

75.4 KWP
Grid connected solar plant at Corporate Office

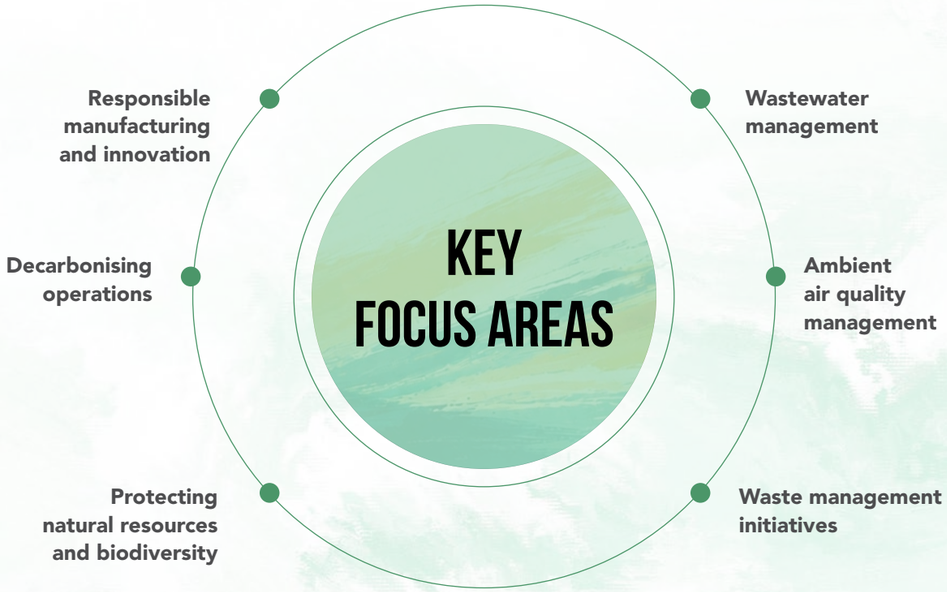
98 EV
vehicles including 32 EV Scooters and 05 EV Cars

Managed fleet of **50 EV** cars in BG

ISO 50001:2018 certification for all Manufacturing Plants

Introduced of sustainable packaging material and recycled tree-free copier sheets













Environment Management Practices in FY 2025-26

Preserving the Environment

Environmental sustainability is central to our value creation approach, driving responsible decisions that minimise our carbon footprint and contribute to a sustainable future for generations to come.

Sustainable Manufacturing with Cleaner Technology

At BEL, sustainability is embedded across our operations through a strong focus on pollution prevention, resource efficiency, and the adoption of cleaner technologies. We continuously enhance our processes to minimise environmental impacts and promote sustainable manufacturing practices. Our R&D teams actively pursue environmentally responsible materials, components, and technologies, while our Corporate Standards Department develops and updates guidelines for eco-friendly materials and processes, ensuring alignment with global environmental standards and directives, including RoHS.

09
New RoHS compliant components introduced

03
Process standards revised to include safety and environment guidelines

TOTAL 917
RoHS compliant standards across all units for electronic, electrical and mechanical components

Ambient Air Quality Management

Air emissions are systematically monitored and controlled through the deployment of advanced Air Pollution Control (APC) systems. Emissions generated from paint booths and plating operations are effectively captured and treated using wet scrubbers before being safely discharged into the atmosphere, ensuring compliance with environmental standards and minimising environmental impact.

Ambient air quality is regularly monitored at multiple locations to ensure that pollutant concentrations remain within the limits prescribed by the Pollution Control Board. To further control localised emissions, including solder fumes, dedicated extraction and filtration systems have been installed. Robust operational controls and maintenance practices are also in place to ensure the sustained effectiveness and reliability of all emission management systems.

Effective Wastewater Management

The Company treats wastewater generated from manufacturing processes at source, ensuring compliance with Pollution Control Board standards, while minimising chemical consumption. Treated wastewater is recycled and reused for production processes and horticultural applications, promoting efficient water resource management. Additionally, new buildings are equipped with dual plumbing systems to facilitate the effective utilisation of recycled water and enhance overall water conservation.

TREATED WATER USED FOR HORTICULTURE AND PROCESS



E-Waste Management

We ensure that electronic waste (e-waste) generated from manufacturing activities is properly segregated, stored, and transferred to authorised recyclers for environmentally sound processing, recovery, and recycling. End-of-life electronic products, including voting machines, are managed through our Extended Producer Responsibility (EPR) framework, supported by user guidance on safe disposal practices. In addition, we continuously work towards reducing hazardous substances in our products by promoting the adoption of RoHS-compliant materials and components.

Biomedical Waste

Biomedical waste generated from Bharat Electronics Hospital, residential colonies, and medical centres is systematically collected and disposed of through authorised agencies in accordance with applicable regulatory requirements, ensuring environmentally sound and safe waste management practices.

Solid Waste Management

Waste management is carried out through effective source segregation, resource recovery, and scientific disposal practices. Biodegradable waste is composted and utilised as manure for horticultural applications, while food waste generated from canteens is processed in a bio-methanation plant to produce biogas for cooking purposes. Dry leaves are converted into nutrient-rich manure through vermicomposting, and residual landfillable waste is disposed off through authorised solid waste treatment and disposal facilities.

TOTAL 03

Organic waste converters in BG and MC

03

No. of vermicomposting facilities across BEL

03

No. of biogas plants across BEL

Water Management

At BEL, water conservation is promoted through a range of initiatives focussed on improving water-use efficiency and resource management. Measures such as automation of water supply systems, deployment of water-efficient dishwashing systems, and optimisation of borewell water extraction contribute to reduced water consumption. Extensive rainwater harvesting infrastructure across our units supports groundwater recharge and enhances water security.

At Bengaluru, a rainwater harvesting reservoir with an annual recharge capacity of approximately 234 million litres is maintained, while all units have systems in place for the collection, storage, and reuse of rainwater.

263 M^3

Rainwater harvested and reused for RO water generation during FY 2025-26

170 MILLION LITRES

Capacity of dedicated Rainwater Harvesting Reservoir - Megha Kunj at Bengaluru Cx with an expected annual yield of 234 Million Litres

104

Rainwater harvesting facilities across all Units with a total yield of approximately 410 Million Litres

Ecological Sustainability

The Company is committed to ecological sustainability and continuously enhances green cover across its campuses. The Bengaluru campus, spread over 685 hectares, supports a rich and diverse ecosystem comprising approximately 1,500 plant species, numerous bird species, and other forms of wildlife. The campus features nearly 5,18,000 square metres of lawns, 23,000 metres of hedges, and more than 1,44,000 trees, contributing significantly to biodiversity conservation.This extensive green cover serves as a natural carbon sink, helps mitigate dust and heat, improves air quality, and enriches the local environment. In addition, the upcoming facility at Palasamudram has been planned with a strong emphasis on ecological preservation and is already home to approximately 20,345 trees, further strengthening the Company's afforestation and biodiversity conservation efforts. The thriving plantations across the campus reflect the Company's enduring commitment to afforestation, biodiversity preservation, and ecological sustainability.

Initiatives planned for FY 2026-27

- Construction of additional 1.5 TPD biogas plant in BG for managing food-waste generated in canteens
- Construction of "Kalyani-Stepwell" for rainwater harvesting
- Introduction of Dual Fuel System for Back-Up DG sets to control emissions
- Electrification of Canteen by shifting to induction-based cooking from PNG
- Installation of 500 kWp of Solar Energy Power Plants across Units



GOVERNANCE

GOVERNANCE GUIDED BY PURPOSE AND ETHICS

At Bharat Electronics Limited, we are committed to upholding the highest standards of corporate governance across every aspect of our business. Our governance framework reflects the principles of integrity, transparency, accountability, and ethical conduct that guide our decision-making and shape our relationships with all stakeholders.

We continuously strengthen our governance practices to align with evolving regulatory expectations and global best practices. By fostering a culture of responsible leadership, effective oversight, and sound risk management, we enhance organisational resilience, reinforce stakeholder confidence, and create sustainable long-term value.

A robust corporate governance framework forms the foundation of responsible decision-making, effective stakeholder engagement, and ethical business conduct. We are committed to maintaining the highest standards of governance through a culture rooted in integrity, transparency, accountability, and compliance. Our governance practices are supported by strong policies, well-defined processes, and a zero-tolerance approach to unethical conduct. By embedding these principles across the organisation, we strengthen stakeholder trust, ensure regulatory compliance, and reinforce our commitment to sustainable, long-term value creation.

Guided by a diverse and experienced Board, including Independent Directors, our governance framework delivers effective oversight, strategic direction, and strong accountability. Through informed decision-making, the Board upholds ethical business practices, ensures regulatory compliance, and protects the interests of all stakeholders.



Transparency in Processes

Integrity, transparency, and accountability are embedded in the way we conduct our business. We foster an open and ethical work environment through clear policies, fair practices, and transparent communication, ensuring that employees have easy access to key information and organisational processes.

Our digital platforms support transparency across areas such as performance management, career development, and employee communication, promoting a culture of continuous learning and growth. In addition, our Whistle Blower Policy provides a secure and confidential mechanism for reporting concerns, reinforcing our commitment to ethical conduct, regulatory compliance, and responsible governance.

Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management

Our Code of Conduct sets the foundation for ethical behaviour, integrity, and accountability across the organisation. It establishes the standards expected of the Board of Directors, Key Managerial Personnel (KMPs), and Senior Management, guiding decision-making and business practices in line with applicable regulatory requirements. The Code is available on the Company's website, and all covered personnel confirm their compliance with its provisions through an annual declaration, reaffirming our commitment to responsible governance and ethical business conduct.

Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

We are committed to maintaining the highest standards of market integrity and transparency. Our policies and codes governing insider trading and the fair disclosure of unpublished price-sensitive information are aligned with the SEBI (Prohibition of Insider Trading) Regulations, 2015. These frameworks, overseen by the Company Secretary, promote timely, equitable disclosure and responsible trading by designated persons.

Whistleblower Policy

Our Whistleblower Policy reinforces our commitment to integrity, accountability, and ethical conduct. It provides directors and employees with a secure and confidential mechanism to report suspected misconduct, fraud, or violations of the Code of Conduct without fear of retaliation. The framework ensures appropriate investigation of concerns and provides direct access to the Audit Committee where required.

Human Rights

BEL is deeply committed to upholding and promoting human rights across all levels in the organisation. It recognises that respect for human dignity is fundamental to sustainable business and national development. The Company adheres to the principles enshrined in the Constitution of India and relevant statutory bodies. It ensures a work environment that is free from discrimination, harassment, forced labour, and child labour. Equal opportunity and diversity are the key cornerstones of its employment practices, and it promotes inclusiveness by ensuring equal opportunity regardless of gender, caste, religion, or background. Recruitment and promotions are purely merit-based. A robust grievance redressal system is in place to address concerns and complaints raised on various aspects of employment (including human rights violations), ensuring transparency and accountability.

A DECADE OF ACHIEVING OPERATIONAL AND VALUE-DRIVEN PERFORMANCE

(₹ in Crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Sales & Services	8,825	10,085	11,789	12,608	13,818	15,044	17,333	19,820	23,024	26,680
Other Operating Revenue	396	400	296	313	246	270	313	349	634	800
Revenue from Operations	9,221	10,485	12,085	12,921	14,064	15,314	17,646	20,169	23,658	27,480
Value of Production	9,244	9,670	11,921	12,348	13,947	15,321	17,731	20,381	23,835	27,254
Other Income	471	200	170	102	126	234	360	756	768	590
Materials	4,832	5,104	6,080	6,846	7,957	9,179	10,206	11,126	12,992	14,554
Employee Benefits Expense	1,548	1,772	1,879	2,057	1,941	2,109	2,298	2,467	2,734	3,091
Depreciation / Amortisation	192	251	316	350	366	380	408	412	436	524
Interest / Finance Costs	12	1	12	3	6	5	15	7	10	7
Other Expenses	1,417	1,110	1,396	1,028	1,114	993	1,492	2,139	1,975	2,394
Profit Before Tax	2,029	1,948	2,703	2,479	2,935	3,158	3,985	5,335	7,090	8,075
Profit After Tax	1,548	1,399	1,927	1,794	2,065	2,349	3,007	4,020	5,288	6,048
Dividend (Amount)	503	491	828	682	975	1,096	1,316	1,608	1,754	1,827
Gross Block	1,617	2,220	3,013	3,795	4,118	4,534	5,083	5,567	6,397	7,626
Cumulative Depreciation / Amortisation	362	613	929	1,275	1,638	2,010	2,411	2,808	3,223	3,727
Inventory	4,905	4,739	4,455	3,963	4,955	5,567	6,412	7,408	9,070	10,094
Trade Receivables	4,355	5,050	5,369	6,733	6,552	6,103	7,022	7,362	9,092	12,845
Working Capital	5,305	4,366	5,376	5,817	6,812	7,625	9,394	11,901	14,929	18,598
Capital Employed *	6,560	5,973	7,461	8,336	9,292	10,149	12,067	14,660	18,102	22,497
Equity Share Capital	223	244	244	244	244	244	731	731	731	731
Other Equity	7,285	7,517	8,775	9,609	10,564	11,741	12,851	15,351	18,967	22,967
Net Worth	7,509	7,761	9,019	9,853	10,808	11,984	13,582	16,082	19,698	23,698
Earnings Per Share (in ₹)	2.01	1.90	2.64	2.45	2.83	3.21	4.11	5.50	7.23	8.27
Book Value Per Share (in ₹)	11.21	10.62	12.34	13.48	14.79	16.39	18.58	22.00	26.95	32.42
No. of Employees	9,716	9,726	9,612	9,279	9,172	8,853	8,832	8,937	8,844	9,420

* Capital employed = Gross Block - Cumulative Depreciation / Amortisation + Working Capital.

Board's Report

To the Members,

Your Directors take pleasure in presenting this Integrated Annual Report and the Audited Financial Statements for the financial year ended 31 March 2026 together with the reports of the Statutory Auditors and the Comptroller and Auditor General of India thereon.

Financial Results and Performance Highlights

Financial results and performance highlights of the Company are summarised below:

(₹ in Lakhs)

Particulars	2025-26	2024-25
Value of Production	27,25,432	23,83,493
Turnover	26,67,958	23,02,410
Profit Before Depreciation, Interest and Tax	8,60,569	7,53,518
Finance Cost	672	961
Depreciation & Amortisation	52,393	43,558
Profit Before Tax	8,07,504	7,08,999
Provision for Tax	2,02,656	1,80,174
Profit After Tax	**6,04,848**	**5,28,825**
Other Comprehensive Income / (Loss)	3,469	828
Total Comprehensive Income	6,08,317	5,29,653
Dividend Paid	2,08,329	1,68,124
Transfer to General Reserve	40,000	40,000
Other Equity (including Reserves & Surplus)	22,96,658	18,96,670
Net Worth	23,69,756	19,69,768
Earnings Per Share (in ₹)	8.27	7.23
Book Value Per Share (in ₹)	32.42	26.95

Distribution of Value of Production for 2025-26 is given below:

(₹ in Lakhs)

Particulars	Amount	Percentage
Materials	14,55,406	53%
Employee Cost	3,09,091	11%
Other Expenses (Net)	1,01,038	4%
Depreciation & Amortisation	52,393	2%
Provision for Tax	2,02,656	8%
Profit After Tax	6,04,848	22%
Total	**27,25,432**	**100%**

The Company's turnover for FY 2025-26 increased to ₹ 26,67,958 Lakhs from ₹ 23,02,410 Lakhs in FY 2024-25, registering a growth of 15.87%. The Profit After Tax (PAT) for FY is ₹ 6,04,848 Lakhs as compared to ₹ 5,28,825 Lakhs in the previous year. Turnover from indigenously developed products was 84%. Contribution for Defence supplies was at 93% of the turnover in FY 2025-26 as compared to 94% in the previous year.

Dividend

Pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company formulated a Dividend Distribution Policy keeping in view the provisions of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013, Guidelines issued by the SEBI, DPE, DIPAM, Ministry of Finance and other Guidelines to the extent applicable to the Company. The Policy is placed on the Company's website at https://bel-india.in/wp-content/uploads/2023/01/Board-approved-Dividend-Distribution-Policy.pdf

Our consistent performance and long-term value creation have been reflected in the quantum of Profits/Reserves distributed to Shareholders by the Company. The Board of Directors has recommended a final dividend of ₹ 0.55/- per equity share (55%), amounting to ₹ 40,204 Lakhs for FY 2025-26. The interim dividend of ₹ 1.95 per equity share (195%) has been paid to the shareholders for FY 2025-26. Thus, the total dividend for the year 2025-26 is ₹ 2.5 per equity share (250%), amounting to ₹ 1,82,744 Lakhs.

Transfer to Reserves

An amount of ₹ 40,000 Lakhs has been transferred to General Reserves for FY 2025-26.

Share Capital

The Company's authorised capital was ₹ 75,000 Lakhs (7,50,00,00,000 equity shares of ₹ 1/- each) and paid-up share capital was ₹ 73,098 Lakhs (7,30,97,78,829 equity shares of ₹ 1/- each fully paid-up) as on 31 March 2026. There was no change in the authorised/paid-up share capital of the Company during FY 2025-26.

Major Orders Executed

Electronic Warfare & Avionics Systems, Radar & Fire Control Systems, Communication Systems, Weapon Systems, C4I Systems, Anti-Submarine Warfare Systems, Tank & Gun Upgrade Systems, Electro-optic Systems, Precision Guided

Muntions/Parts & Sub Systems , Network & Cyber Security, Home Land Security Systems etc.

Exports

Your Company has been exporting various products, systems and services to a number of foreign countries. Your Company has been placing enhanced thrust on addressing the export opportunities in defence, and non-defence areas, and this has resulted in achieving an all-time high export sales of USD 141.9 Million in FY 2025-26 compared to USD 106.17 Million in FY 2024-25.

Some of the countries to which your Company has exported its products and systems are France, Spain, the USA, Israel, Sweden, Mauritius, Armenia, Sri Lanka, Denmark, Colombia, and SEZs. The major products/systems exported include Radar Warning Receiver, Missile Approach Warning System, T R Modules, Medical Mechanical Parts, Communication Equipment, EO System, Sonar Spares, Coastal Radar Systems, Cyber Security Solutions, 3D Surveillance Radar, Satellite Communication Systems, Software, Shelters, Training & Maintenance Services, etc.

An increase in export sales was mainly due to the concerted efforts and new initiatives taken by your Company. Continuous interactions with prospective foreign OEMs & Customers, proactive offering of products, systems and services, development of customised solutions, offering products in new defence and civilian segments, interactions with MEA, MoD, undertaking and completing on-time delivery of customised projects have resulted in increased export sales. More efforts are directed towards providing new customised offerings and efficient support/services to the customers.

During FY 2025-26, your Company has acquired the highest ever annual export orders worth USD 346 from France, USA, Sweden, Sri Lanka, SEZ, etc. Your Company has an all-time high export order book of USD 496 Million as on 1 April 2026. Over the years, your Company has established long term relationship with current and prospective customers.

Along with Defence, your Company is also exploring opportunities for civilian/non-defence products and solutions in developed and developing countries in the areas of Cyber Security Solutions, Training & Maintenance Service, Software Applications, Vacuum Interrupters, Civil Aviation Radars, Electronics System Design & Manufacturing Services, etc.

Your Company is also focussing on various opportunities in the area of Offset Business from foreign OEMs. Your Company is also closely working and partnering with various major foreign Aerospace and Defence Companies by offering products and systems to meet their specific requirements.

Your Company has identified Electronics System Design & Manufacturing Services (Build to Print and Build to Spec) one of the emerging export opportunities.

Further, efforts are put in to establish long-term supply chain relationships with Indian and global OEMs. In this regard, your Company has offered various products and services to major Platform OEMs and their Tier-I suppliers. Your Company has also offered complete solutions globally with the partnership from India OEMs. This has helped your Company in leveraging partnerships for co-development, co- production, transfer of technology, and similar arrangements with various OEMs to undertake manufacturing of their products at your Company's facilities and utilisation of services of your Company not only for Indian programs but also for their global requirements.

Persistent efforts by your Company have resulted in acquiring new customers from targeted geographical locations such as Uganda, Nigeria, Europe, the USA, Japan and SEZ - India. During the year, new proposals for Avionics, EW Systems, Radar Sub-Assemblies,, Waveguides, ZnS Domes, Missile Systems, C4I Training Solutions, Anti-Drone System, Unmanned Systems, etc. were submitted to global customers and foreign ministries.

Actions by your Company to enhance exports are as follows:

a. Major initiatives undertaken

- Co-development/Co-production of products with foreign OEMs.
- Emphasis on Make in India "Sell Globally" approach.
- Efforts to achieve "Single Vendor" status by offering customised solutions & products.
- Collaboration with Indian and Global OEMs to offer complete platform solutions to foreign customers.
- Establishing long-term supply chain agreements with global OEMs.
- Focus on big programs (Radar Systems, C4I, Gun/ Missile Systems/ Tank & Gun Upgrades etc.).
- Leveraging the reach of Channel Partners.
- Partnership with foreign local industry for entering new global markets.
- New products offering in new geographical locations.
- Concentrating on non-defence exports segment.

b. Following products and systems have been offered to foreign countries/customers:

- Missile Systems
- Fuzes
- Unmanned Systems
- Anti-Drone Systems
- ZnS Domes
- Avionics
- Electronic System Design & Manufacturing

c. Interactions were held with the following major international customers (OEMs):

- Thales, France
- Safran, France
- SAAB, Sweden
- Combitech, Sweden
- Airbus Defence & Space, Spain
- SVT Group, Czech Republic
- General Atomics, USA
- Lockheed Martin, USA
- Boeing, USA
- Terma, Denmark
- Elbit Systems, Israel

d. Interactions were held with the following international customers (Defence Forces/ Ministries):

- Ministry of Defence, Uganda
- Ministry of Defence, Kyrgyzstan
- Ministry of Defence, Armenia
- Ministry of Defence, Nigeria
- Ministry of Defence, Columbia

e. Following were the major products exported during FY 2025-26:

- Radar Warning Receiver
- Missile Approach Warning System
- T R Modules
- Medical Mechanical Parts
- Communication Equipment
- EO System
- Sonar Spares
- Coastal Radar Systems
- Cyber Security Solutions
- 3D Surveillance Radar,
- Satellite Communication Systems,
- Software
- Shelters
- Training & Maintenance Services, etc.

MoU with the Government

Your Company has been signing a Memorandum of Understanding (MoU) every year with the Ministry of Defence, Government of India, based on guidelines issued by DPE. Performance of the Company for FY 2024-25 has been rated as "Excellent". The MoU rating for FY 2025-26 is under review by the Government.

BEL has complied with following parameters in respect of MoU Evaluation for FY 2025-26.

a) DPE Guidelines issued from time to time on CSR expenditure by CPSEs.

b) Compliance of Provision in the Companies Act, 2013 on Corporate Governance

c) On-boarding date of TReDS platforms:

BEL is registered on the following TReDS platforms:

Name of the TReDS Platform	On-boarding date
RXIL (Receivables Exchange of India Ltd)	02 January 2018
INVOICEMART (A. TREDS Ltd)	09 September 2021
M1xchange (Mynd Solutions Private Ltd)	21 September 2021
C2treds (C2FO Factoring Solutions Private Ltd)	10th June 2025
DTX (KrEDX platform Private Ltd)	23rd January 2026

- Procurement of goods and services through the Government e-Marketplace (GeM) amounted to ₹3,093.31 Crore, against the total annual procurement of ₹11,690 Crore.
- **Details of MSEs procurement for FY 2025-26**

Sl. No.	Description	Value (₹ in Crore)	% w.r.t Total Procurement
1	Total Domestic Procurement	11690.10	-
2	Procurement from Micro and Small Enterprises	5209.87	44.57%
3	Procurement from MSEs owned by SC/ST Entrepreneurs	140.25	1.20%
4	Procurement from MSEs owned by Women Entrepreneurs	869.13	7.43%

Reason for not meeting the Procurement target from MSEs owned by SC/ST: Non-availability of SC/ST vendors with required technical capabilities and certifications.

- Details of Steps and initiative taken for Health & Safety improvement of Human resources for FY 2025-26:

  a. The Medical Framework for standardizing the Operations of OHCs / Medical Centres across the

Company was formulated and implemented on 4 September 2025..

b. Annual Medical Checkup for DGMs and above as a part of Performance Management System was introduced w.e.f. June 2025.

c. The Safety & Security Meet was organized on 26 April 2025 to address emerging challenges in Security & Counter Intelligence, Cyber Security threats, Fire Safety preparedness, etc.

- Status of PM Internship scheme of MCA for FY 2025-26

a) BEL has published 400 Nos. of Internship opportunities during FY 2025-26.

b) BEL has issued offer letters to 369 Nos. of eligible candidates

c) BEL has published internship opportunities as per guidelines

Order Book Position

The order book of the Company as on 1 April 2026 is around ₹ 73,882 Crore including an export order book of USD 495 million. Some of the major orders of the outstanding order book includes Air Defence Radars, Avionics for LCA, Mountain Radars, Electronic Fuzes, Air Defence Weapon System, Air Defence Fire Control Radar, Electronic Suite for BMP II Upgrade, Medium Power Radar, EW suite for Helicopters, EOIR Payloads for Airborne and Naval platforms, EW systems for Naval Platforms, Radio Solution, Counter Unmanned Aerial System, Airport Surveillance Radars, Software Solutions, Automatic Train Supervision System, T/R Modules (exports) etc.

Finance

We are happy to inform you that your Company has continued to maintain its growth momentum during FY 2025-26. Your Company's topline has grown by 15.88% to ₹ 26,680 Crore as compared to previous FY 2024-25. Our technological capability coupled with "Aatmanirbhar Bharat" initiatives of Govt. of India and growing opportunities in exports has helped the Company to achieve significant milestones during the current year. BEL's PBT has grown from ₹ 7,090 Crore to ₹ 8,075 Crore, an increase of around 14%. Similarly, PAT has grown by more than 14% to ₹ 6,048 Crore. Our Earnings per Share (EPS) for the year 2025-26 has increased to ₹ 8.27 from ₹ 7.23.

Your Company continues to invest in R&D and Capex, which helps the Company to maintain its competitive advantage over its domestic and international competitors. We have invested ₹ 2,048 Crore during the current year in several R&D projects, which works out to 7.68% of turnover. Similarly, in line with our growth strategy, we have invested ₹ 890 Crore during the current year in Capex.

Our working capital continues to remain healthy. We are able to meet the Capex and Working Capital requirements entirely through Internal Accruals. We continue to remain Debt-Free. Company's Net worth in FY 2025-26 has increased to ₹ 23,698 Crore and the corresponding Book Value per share has increased from ₹ 26.95 to ₹ 32.42. Our performance across all financial metrics be it Turnover, Profitability, Investment in Capex and R&D, has continued to show an improving trend during the current year.

Deposits

The Company does not have any Public Deposit Scheme at present. However, the matured Public Deposit amount (collected prior to February 2006) with the Company was ₹ 36.95 Lakhs as on 31 March 2026. Out of this, 34 deposits amounting to ₹ 36.50 Lakhs have not been claimed or have not been paid as these accounts were frozen on the advice of the Karnataka Lokayukta. The remaining matured deposits of ₹ 0.45 Lakhs as on 31 March 2026 are unpaid due to insufficient documents/records produced by the Depositors.

Research & Development

BEL's Research and Development (R&D) Philosophy is to enhance its pre-eminence in products/services for Defence and Professional Electronics through Research & Development. BEL's R&D strives for the development of new products built with cutting-edge technology modules. While fully meeting the customer requirements, the products developed by the Company are state-of-the-art, competitive and incorporate the highest levels of quality, has been one of BEL's core strengths which is being enhanced through in-house and collaborative R&D modes. Various divisions of BEL are involved in the development of Strategic Components, Technology Modules, Subsystems, Products, Systems and Systems of Systems.

BEL has a Three-Tier R&D structure, namely Central Research Laboratories (CRLs); Product Development and Innovation Centre (PDIC) & Centres of Excellence (CoEs); and Development and Engineering (D&E) groups attached to Strategic Business Units (SBUs)/Units. All the R&D/D&E Centres of BEL, as recognised by the Department of Scientific & Industrial Research (DSIR), function at multiple locations across India. D&Es are located at each of the SBUs and Units, namely Bengaluru, Chennai, Ghaziabad, Hyderabad, Kotdwara, Machilipatnam, Navi Mumbai, Panchkula and Pune. PDIC and CoEs are located in Bengaluru, while CRLs are located in Bengaluru and Ghaziabad. The D&Es/PDIC/CoEs/CRLs work in the identified technology and product areas, based on three-year R&D plans and after due approval of budget/time by the competent authority.

The D&E groups at SBUs / Units provide Systems and Systems of Systems solutions to the end users. Towards this, they get necessary technology modules and subsystems developed through CRLs, PDIC, CoEs and collaborative R&D partners. They conduct all evaluations and trials needed in the process of inducting these systems into service. They also extend technical support during the entire product life-cycle, and upgrades and also take care of obsolescence management.

Apart from in-house efforts, BEL R&D Engineers collaborate with DRDO, ISRO, CSIR, other Research Laboratories, National and International Academia, Research Institutes, OEMs/Industries, Experts/Consultants, MSMEs and Start-ups in niche technology areas. BEL has created an ecosystem to co-create products/solutions in many business segments.

D&E Projects Initiated During FY 2025-26: Several R&D projects have been initiated during FY 2025-26, both through in-house development and collaborative efforts (mainly with DRDO). Major projects initiated during FY 2025-26 are Wheeled Armoured Fighting Vehicle, Control Centres and Comm Systems for Kusha Weapon System, Advanced Buoyant Cable Antenna System for Submarine, Naval Anti-drone System (Ship-Based), LINK Media Agnostic Intelligent Terminal for Resilient Information Exchange, Subsystem/Proto AAAU for Su-30, Active Off board Decoy, Customisation & Sys Integration of DIRCM for ALH, Bharat Shakti SoC, Ground Based Autonomous System, Kusha Control Centres and Comm System and Night Flying LRUs for LCA MK-II.

D&E Projects Realised During FY 2025-26: Some of the major projects realised/completed during FY 2025-26 are Missile Checkout Facility for QRSAM, Indigenous Commander's Panoramic Sight, Development of QRSAM, LYNX U2 for NOPV (Talwar Teg Class), Integrated ASW Defence Suite (IADS), Development of TEST BED for F-INSAS, Development of Low Profile Ku Band SOTM, X-Band GaN-based Radar, UET model for SHAKTI and QT model for Sarang.

Important R&D Awards/Recognitions Received During FY 2025-26:

- IETE Awards – 2025.
- IETE - Dr Sudhakar Rao Award – ANT/GAD-OU.
- IETE - Smt C Ranganayakamma Memorial Award – CRL/BG.
- Best Paper Award at IEEE Symposium, SMAP-2026 at Indonesia – MMIC/PDIC.
- Best Paper Award at IEEE SPACE (SPace Aerospace and defenCE Conference) 2025 – CRL/BG.
- Manufacturing Today Conference and Awards 2025: Five Awards under Excellence in Innovation, Engineering Design and Technology Categories – RFMW/PDIC.
- 5th PSU Transformation Conclave - 2025: Digital Dynamo Awards for Smart-Ship Operation – SW/BG.
- 10th PSU Awards - 2025: Cyber Security and Data Protection under the category of "Best Use of Emerging Technology (Block chain)" – SW/BG.

New Products Developed Through In-house Development Efforts During FY 2025-26 are:

Design and Development of X-APAR, Development of AESS LR & MR, Prototype ATM & ASMGCS System, Development of FDWS for Naval Platforms, Development of SIDE SCAN SONAR, Design & Development of Indigenous SPAD, Railway 5G Solution for RDSO, Development of Network Accelerator, Development of VHF TRM for VHF Radar and Design of X-OTRM for CoLoR.

New Products Developed through Collaborative Development Efforts During FY 2025-26 are:

Mobile C4I Prototype, AESA Antenna Arudhra, Semi Active Phased Array CAR-P, Shaped Reflector Antenna, LYNX U2 GFCS – NGOPV, Missile Checkout Facility, Akash Prime Simulator, AD GUN Training Simulator, EO Sights BMP Upgrade Program and EO Sight for Himashakti.

Future Plan of Action: BEL will enable scaling of R&D for innovative Products / Services across the organisation to align with the objective of growth and transformation. All the tiers of R&D (D&Es, PDIC, CoEs and CRLs) will continue to collaborate in identifying new areas of development and complementing each other in addressing the requirements through in-house and collaborative modes of development. BEL plans to continue investing in R&D for meeting the continuously evolving requirements of its customers as well as for diversification. While a major thrust would be given for in-house development, collaboration with national laboratories, academic institutions, research institutes, industry and MSMEs will also continue to be strengthened.

Focussed technology/product development efforts have been initiated in diversified areas like Photonics-based Electronic Warfare, Server-based Radar Signal Processing and Cognitive Radios.

BEL has consistently been investing more than 6% of its annual revenue every year in R&D and will continue to support R&D initiatives for enabling an Atmanirbhar Bharat, making & delivering high-quality Defence & professional electronics products, systems & solutions for India and the world.

New Facilities Established

Infrastructure enhancement is one of the major objectives of the Company in order to stay upgraded for global opportunities and to be the best in business. During FY 2025-26, the Company has spent around ₹ 892 Crore as part of CAPEX investment towards modernisation of Plant & Machinery, Test instruments, R&D investments, Infrastructure up-gradation, etc. Following are some of the major facilities established during FY 2025-26:

- Advanced Night Vision Products Factory at Nimmaluru, Krishna district, Andhra Pradesh.
- Electronic Warfare Land Systems facility - Ibrahimpatnam, Telangana.
- Missile Integration Facility - Bengaluru.
- Process facility - Vellore.
- Modernisation of Electronic Warfare (EW&A) facility - Bengaluru.
- System Integration facility- Chennai.
- Advance Manufacturing Facility - Kotdwar.
- Centre of Excellence (CoE) for Artificial Intelligence (AI) - Pune.
- Defence PSU Bhawan, a state-of-the-art central facility within the World Trade Centre in New Delhi, for all the DPSUs under the Department of Defence Production.

Information Technology (IT) Initiatives:

Migration of SAP - SRM applications to New Hardware and HANA Database is completed. In the SAP system, IS/CO has implemented Digitisation of DAS Approval using Biometric Authentication, Documents uploading process in SRM by Vendors, LTA Process, Emergency Procurement Process, Digitisation of Monthly Project Review meetings, Bond Management Process for Employees, Digitization of MCM Decisions, Internal Audit Management System, Integration of BEL ERP with Army portal, GEM portal integration for payment update.

Securing information networks and database: Separate physical networks are maintained for Internal Intranet network and Public Internet networks. Air Gap is maintained between Internet and Intranet networks to completely isolate the internal network. Critical applications and Data are available only on the Intranet. For Internet access which is mainly used for email and browsing, centralised gateway is established in the Cyber Defense Center (CDC).

CDC is built on the principles of zero trust and layered security approach (defence-in-depth) and continuously getting augmented with latest tools & technologies for maintaining the cyber resiliency. Security Operations Center (SOC) is established as a centralised Unit that unifies people, processes and technology to monitor, detect and respond to cyber-security threats in real time. VPN with Multi Factor Authentication is implemented for secure email access, Centralised Network Management System (NMS) is implemented for proactive monitoring of performance and health of the network and IT infrastructure.

To further strengthen the cybersecurity preparedness, BEL Security Operation Centre (SOC) is integrated with MoD CSOC. As part of the integration, two log collector appliances are installed in BEL and logs of security appliances such as perimeter Firewall, Web Proxy, Email Gateway, DNS servers, etc. are forwarded to these installed log collectors. This setup has facilitated real-time integration with MOD Threat Intelligence Platform for automated blocking of Indicators of Compromises (IOCs) at perimeter Firewall. As part of the project, CHAKRAVYUH Server is also installed for monitoring & managing internet facing endpoints installed with MAYA OS.

Company-wide ERP (SAP) is implemented for all Business processes. ERP Data resides in SAP's HANA Database, which is deployed on the Intranet, with Secure configuration and hardening. Access control to the Database is possible only through the SAP application. Support patches released by SAP are regularly applied. Granular access control of User Roles and authorisations is enabled based on the principles of least privilege, need-to-know basis and segregation of duties. Audit trail log is enabled for all users. Entire infrastructure is subject to Annual VAPT from the CERT-in empanelled agency. Daily automated backup is enabled. A three way Disaster Recovery (DR) system is deployed with Primary, Secondary site (Near DR) in BEL Bangalore and Far DR site at BEL Hyderabad. Synchronous replication is enabled between Primary and Near DR sites with auto-failover capabilities ensuring Business Continuity.

BEL has adopted Virtual Desktop Infrastructure (VDI) to avoid storing of Data on PCs and enhancing Information Security. PCs with Windows OS are inherently vulnerable to malware, viruses, worms, data leakage and other Security vulnerabilities. These issues have been overcome by the implementation of centralised VDI and replacing or converting End Point PCs to Thin Clients. The Data Centre facilities of Units have been upgraded for hosting VDI. Separate VDI has been commissioned for intranet and Internet. VDI Intranet Data are now stored in Data Centres in encrypted form. Centralised security policies and Security patching are enforced for the entire infrastructure.

SAP infrastructure, CDC and VDI infrastructure including all hardware, software applications and Database are certified for ISO 27001:2022 Information Security, Cyber Security and Privacy Protection.

Quality

Quality, Technology, and Innovation are three guiding pillars of BEL's Business initiatives. Quality, being the first pillar, has been one of the focus areas for the Company. The Company is committed to continual improvement through a process approach in line with World-Class Quality Systems. All Units/Strategic Business Units (SBUs)/Common Services Groups (CSGs) are accredited to AS 9100D/ISO 9001 Quality Management Systems (QMS). All Units/SBUs of the Company are committed to the Environment Management System through ISO 14001 Standard and Occupational Health Safety Management System through ISO 45001 Standard. 14 Units / SBUs / Divisions of the Company are certified for the Information Security Management System (ISMS) ISO 27001. Test Equipment, Calibration and Maintenance Divisions of Bangalore Complex, Ghaziabad Complex, Panchkula unit, Chennai unit, Navi Mumbai unit and Hyderabad unit (total 13 labs) are certified by NABL in accordance with ISO/IEC 17025 Standard. CRL Ghaziabad, Software SBU and Hyderabad unit are certified for CMMi level 5. NCS, DCCS and Radar SBUs of Ghaziabad Complex, Chennai Unit are certified for CMMi Level 3. Software SBU is certified for ITSMS ISO 20000-1 and BCMS ISO 22301. BAE and BEEI are certified for EOMS ISO 21001.

World-class quality standards were upheld with the successful completion of the AS9100D Surveillance Audit, reaffirming the Complex's commitment to excellence. Many of our items are cleared through Green Channel Certifications and it reduced delivery time and meeting the on-time delivery of the systems.

BEL received additional Green Channel Status (GCS) for 4 Products from Pune Unit during FY 2025-26. Existing GCS certificates for MR, NS1, NS2, Milcom SBUs of Bengaluru Complex and Navi Mumbai unit are renewed for next 5 years, reinforcing the Customer confidence in our Products & Process Quality. Demonstrating its continued focus on energy excellence, the Company has achieved certification under ISO 50001:2018 (Energy Management Systems) across all its manufacturing units, highlighting its commitment towards achieving the highest standards of energy efficiency and optimal resource utilisation across its value chain. Teams from the Company presented Technical Papers on Quality & Leadership at 'International Conference on Quality 2025', organised by Union of Japanese Scientists and Engineers (JUSE) held at Tokyo, Japan.

Comprehensive digital transformation initiatives were implemented across operations, significantly enhancing efficiency, traceability and quality assurance. Key initiatives included SAP-based inspection data capture with integrated qualitative and quantitative parameters, QR code-enabled tracking of materials, digitised inspection processes and automated testing systems. Industry 4.0 practices were further strengthened through digital manufacturing initiatives, including the deployment of Digital OARC and enhanced process traceability in production environments.

End-to-end digitalisation was advanced through the implementation of Quality 4.0 practices, including digital GR processes, barcode-enabled material tracking, online customer inspections, remote inspection capabilities and adoption of emerging technologies such as hands-free inspection and VR-based training, collectively enhancing life cycle traceability, quality and customer engagement. In addition, sustainability and operational efficiency were supported through the introduction of the Energy Monitoring System for remote tracking of energy consumption.

The Company has facilitated the involvement of employees in the Quality Movement through the Quality Control Circle (QCC). During the year, 507 QCC presentations are made by various QCC Teams. Many QCC teams are nominated for national competitions, and all are adjudged for various categories of Awards. Two IUQCC winning teams from Bengaluru complex Alakananda QC Circle from Milcom SBU and Arrow QC Circle from Components SBU participated in Premium NCQCC 2025 held at Dubai and won Gold Medals.

Around 4,265 suggestions are awarded in FY 2025-26. A total savings of ₹ 88.24 Crore was achieved through this Suggestion Scheme implementation in various process improvements during this year.

During the year, 17 Executives from various Units/SBUs are certified as "Certified Quality Engineers (CQE)", 04 Executives are certified as "Certified Reliability Engineers (CRE)" from ASQ. 23 Executives got certified as "Project Management Professional (PMP)" from PMI USA. 16 mid-level and senior executives are certified as "Certified Data Analytics (CDA)" by Indian Statistical Institute (ISI), Bangalore.

Total 120 Six Sigma Projects have been completed during FY 2025-26, resulting in an estimated savings of ₹ 5,492.17 Lakhs to the Company. 15 BEL Six Sigma teams participated

in Regional level competitions CCQC-2025 organised by QCFI and all 15 teams won the highest award "GOLD". All 15 BEL Six Sigma teams participated in National level competitions NCQC-2025 organised by QCFI and all teams won the highest award "PAR Excellence".

MR SBU from Bangalore Complex won the First Prize, Panchkula Unit, and NCS SBU of Ghaziabad unit won second and third prizes respectively in company-wide Quality Recognition Award (QRA) 2025. Quality Champion is a new flagship award introduced in FY 2024-25 and conferred to three executives (for FY 2025-26) of the Company for their extraordinary involvement and dedication towards Quality improvement in the Organisation.

The company is aiming for the comprehensive Digital Transformation, implementation of Industry 4.0 technologies for Productivity enhancement, and to achieve higher growth rate in the coming year.

Human Resources

Your Company employed 9,420 people as on 31 March 2026 compared to 8,844 people as on 31 March 2025. Out of these employees, 5,793 were engineers/scientists, and 2,026 were women employees. A total of 1,071 employees were inducted during FY 2025-26. 195 employees belonging to the Scheduled Castes (SC), 79 employees belonging to the Scheduled Tribes (ST), 401 employees from the Other Backward Classes (OBC), 145 employees belonging to the Minority Community and 9 Physically Challenged employees were inducted during FY 2025-26.

Your Company has been complying with the Government directives on reservations. The particulars of SC/ST and other categories of employees as on 31 March 2026 are as under:

Category of Employees	Executives		Non-Executives	
	Group 'A'	Group 'B'	Group 'C'	Group 'D'
Scheduled Caste	1,223	41	467	16
Scheduled Tribe	496	09	129	07
OBC	1,832	69	790	64
Ex-Servicemen	44	-	217	107
Physically Challenged	120	3	83	-

Various training programmes were conducted during the year to enhance competencies in Technical, Functional, Managerial and Leadership areas. Structured Executive Development Programmes were conducted regularly with premier institutes to meet the evolving training needs of executives as they progress through various grades. A detailed write-up on HR initiatives during the year is provided separately in the Management Discussion and Analysis Report, which forms a part of this report.

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 the dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, the Company has implemented the policy on prevention, prohibition and redressal of sexual harassment at the workplace, which has been uploaded on the Company's intranet & internet portals. All women, permanent, temporary or contractual, including those of the service providers, are covered under the Policy.

An Internal Complaints Committee has been constituted in each of the nine constituent Units, including the corporate office, to redress complaints relating to sexual harassment. The list of ICC members is also available in Company's intranet and internet portals. Awareness programmes were conducted across the Company to sensitise employees and uphold the dignity of their colleagues at the workplace, particularly with respect to the prevention of sexual harassment. The details of the complaints filed, disposed of and pending during the year pertaining to sexual harassment are provided in the Business Responsibility and Sustainability Report, which forms a part of this report.

Awards and Accolades

Your Company strives to achieve the highest level of quality in all its products by considering consumer insights and by reaching out to consumers. During the year, your Company has received the following various Awards and Accolades:

- BEL Kotdwar won the "Platinum Award" in CII-EXIM Bank Excellence Awards.
- BEL Ghaziabad won Best OSH (Occupational Safety & Health) Performance 2024 in the "Exemplary Category" by VZ-RSI.
- 'PSU Samarpan Award' by GovConnect.
- BEL Bengaluru won the Golden Peacock Quality Award-2025.
- PSE Excellence Award for Cyber Security under the category of "Enterprise Security".
- Governance Now 10th PSU IT Award for "Cyber Security and Data Protection".
- Financial Express CFO Award.
- Kalinga Excellence National Award 2024.
- Greentech Award for "Excellence in Quality Management Systems".
- DSCI Award for "Best Cyber Security Practices.
- SKOCH ESG 'Gold Award 2025'.
- 'Vishisht Award (2024-25)' for BEL Panchkula.

Subsidiaries, Joint Ventures and Associates

BEL Optronic Devices Limited (BELOP) is a wholly-owned subsidiary of BEL, which manufactures Image Intensifier. BELOP achieved a turnover of ₹ 10,989 Lakhs for the year compared to ₹ 18,325 Lakhs in the previous year. The Profit After Tax (PAT) for the year was ₹ 582 Lakhs compared to ₹ 2,068 Lakhs in the previous year.

BEL-THALES Systems Limited (BTSL) is a subsidiary of BEL. Your Company holds 74% of the equity capital in BTSL. During the year, BTSL recorded a turnover of ₹ 14,648 Lakhs compared to ₹ 11,747 Lakhs in the previous year. The Profit After Tax (PAT) for the year was ₹ 98 Lakhs compared to ₹ 476 Lakhs in the previous year.

GE BE Private Limited is an Associate Company of BEL. Your Company holds 26% of the equity capital in GE BE Pvt. Ltd. GE BE Pvt. Ltd. recorded a turnover of ₹ 1,92,161 Lakhs for the year, compared to ₹ 1,80,621 Lakhs in the previous year. The Profit After Tax (PAT) was ₹ 15,385 Lakhs for the year compared to ₹ 13,576 Lakhs in the previous year.

BEL IAI Aerosystems Private Limited is an Associate Company of BEL. Your Company holds 40% of the equity capital in BEL IAI Aerosystems Pvt. Ltd.

The Defence Innovation Organisation (DIO) is a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013, with paid-up share capital of ₹ 1 Lakh. With an equity participation of 50% from BEL, the Company was formed with the objective of funding innovation in the Defence sector.

Electronic Warfare (Defence) Testing Foundation is a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013, with paid-up share capital of ₹ 1,174 Lakh. With an equity participation of 40% from BEL, the Company was formed with the objective of funding innovation in the Defence sector.

Communication (Defence) Testing Foundation is a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,045.25 Lakh. With an equity participation of 40% from BEL, the Company was formed with the objective of funding innovation in the Defence sector.

UAS Testing Foundation is a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 Lakh. With an equity participation of 20% from BEL, the Company was formed with the objective of funding innovation in the Defence sector.

Pursuant to the provisions of Section 129(3) of the Companies Act, read with Rule 5 of Companies (Accounts) Rules, 2014 (as amended), a separate statement containing the salient features of the financial statement of Subsidiaries/ Associate/ Joint Ventures in Form AOC-1 is appended to the Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.bel-india.in.

Consolidated Financial Statements

Consolidated Financial Statements of your Company and its Subsidiaries for the year ended 31 March 2026 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act & applicable Indian Accounting Standards and forms part of this report.

Vigilance

The Company's Vigilance Functions is headed by Chief Vigilance Officer (CVO) Ms. Kalyani Sethuraman, IRAS.

BEL Corporate Vigilance setup comprises of Investigation & Anti-Corruption Wing, Technical Wing and Preventive Vigilance & Disciplinary Action Wings. To support the vigilance functions across various SBUs, BEL has 19 full-time Vigilance Officers posted in Units/SBUs/CO who are handling vigilance activities in the Units/SBUs/Corporate Office. Vigilance Committees are formed in Units/SBUs/ Corporate Office to look after the Vigilance functions and administration. The Units/SBUs head is designated as Chairman of the Vigilance Committee. Preventive Vigilance has been the thrust area of the Vigilance Organisation. The Vigilance Department examines procurement processes on continual basis, conducts regular and surprise inspections and investigates instances of any suspected transactions/corruption. BEL has a complaint handling policy through which an employee or third parties can bring any suspected transaction to the notice of vigilance department. Online Complaint Management System has also been made operational and complaints can be filed by accessing the Vigilance Portal in BEL website www.bel-india.in.

During the year, 3,669 Purchase Orders/Contracts (> ₹ 25 Lakhs) have been reviewed by Field Vigilance Officers. Five Intensive Examination (IE) teams have been formed for conducting CTE Type Intensive Examination. 60 High value Procurement Contracts have been taken up by the IE Teams during the year 2025-26. Regular and Surprise Checks, Inspections have also been conducted by the field Vigilance Officers. 51 Complaints were received and 50 were disposed. Disciplinary action and System/process improvement has been recommended in some cases where lapses were observed. 159 Executives (including TC Personnel) & 39 Non-Executives working in sensitive areas were moved out after completing of 3 years period.

In line with the CVC's guidelines on Leveraging Technology and to ensure transparency through effective use of technology, the following functions have been made operational through SAP and the Company's website:

- E-Procurement.
- Online registration of Vendors.
- Vendor Payment Information System and Process Automation for reducing time for Vendor payment.
- E-Payment/Bank transfer of payment to Vendors.
- Details of awarded Contracts/Purchase Orders valuing more than ₹ 10 Lakhs in respect of works contracts, service contracts, capital items and non-production items have been posted in the website.
- Details of awarded Contracts/Purchase Orders issued on nomination/single tender basis value exceeding ₹ 5 Lakhs are posted on the website.
- Corruption Risk Management Policy is framed and implemented across the Company.
- Vendors' Directory is maintained by SBUs.
- File Life Cycle Management System (FLM) is fully implemented across the company.
- Online filing of APRs is facilitated in SAP for all the Executives.
- Vigilance clearance for various purposes was issued to Executives/Non-Executives in SAP.

Vigilance setup in BEL has been continuously endeavouring to bring transparency, fairness and integrity in all transactions and processes of the company by creating a sense of awareness on System and Procedures through awareness campaign and training programme.

Key activities carried out during the year 2025-26:

A) Observation of Vigilance Awareness Week 2025:

Inauguration and Integrity Pledge taken:

BEL has observed Vigilance Awareness Week from 27 October to 2 November 2025 with the theme "Vigilance: Our Shared Responsibility" at all Units/SBUs/Offices across the country. Integrity Pledge was administered by employees and students at schools/colleges in the events. E-Integrity Pledge was administered by employees in BEL Intranet portal and Vendors and Customers through e-mails.

BEL actively participated in undertaking a three months campaign from 18 August 2025 to 17 November 2025 on Preventive Vigilance focussing on Disposal of pending complaints, Disposal of pending cases, Capacity Building Programs, Asset Management and Digital Initiatives. 40 Courses were undergone by employees of BEL in IGOT Karmayogi Portal. 5,245 employees attended the courses. Activities related to Vigilance theme like competitions, outreach programmes, gramsabha, guest lectures, seminars, workshops, training on Vigilance Awareness, Vigithon, Walkathon, Marathon, Street Plays, Storytelling sessions, Vendors meet and other programmes were conducted on the occasion.

Distribution of Pamphlets/Banners/Slogans/Standees on Vigilance:

Display of Banners, Boards near the Entrance Gate of all the 9 Units of BEL and in various Schools and Colleges wherever the Awareness Week programme was conducted. Pamphlets on Integrity Pledge were made and distributed among Employees, Executives and Contract Personnel. Banners were displayed during the week at prominent places like Lalbagh Botanical Garden, Kanteerava Stadium, BEL Circle, Doddabommasandra Arch, BEL Institutions, BEL Hospital, BEL Thales Systems Ltd., BEL Kalakshetra, Central Research Laboratory and PDIC in Bengaluru.

Outreach Activities:

1. Vigilance Awareness Programmes were held at Jawahar Navodaya Vidyalaya, Bangalore Rural District, Doddaballapur, Bashettihalli, BE Educational Institutions, Jalahalli, Bangalore, Govt. Polytechnic, K.R. Pete, Mandya District and National Law School of India University, Nagarbhavi, Bangalore. Around 800 students attended the programme. Essay writing, Slogan writing, Quiz and Poster competitions were conducted and prizes were distributed.
2. Vigilance Awareness programme at Gram Sabha was conducted at Govt. High School, Doddabelavangala Doddaballapura. Around 500 students participated.
3. 2 Street Plays were conducted at Lalbagh Botanical Garden, Bangalore and 2 Street Plays were conducted at BEL Circle and Doddabommasandra Market giving awareness to public on VAW 2025 and Corruption.
4. Walkathon was conducted for BEL Educational Institution students. Students participated with placards and banners on Vigilance Awareness.
5. BEL Staff led by CVO participated in "Vigithon" conducted by Vigilance Study Circle, Bangalore Chapter at Kanteerava Stadium, Bangalore. Various Bangalore based PSUs like BEL, HAL, BEML, KIOCL, ITI participated in large numbers.
6. Vendors Meet was organised in Bangalore Complex and Other Units of BEL. Feedback from vendors was taken to address their grievances through online/ offline modes.

B) Vigilance Training Programmes and other Programmes Organised in BEL:

- Capacity Building Programmes conducted are - i) Public Procurement and ii) Cyber Hygiene and Security was conducted for Dy. Managers and Managers from MM, Purchase and Finance dept., iii) CDA Rules was conducted at individual Units. iv) Framing of Charge sheet was conducted for HR Officers, v) Investigation & Report was conducted for Vigilance Officers & Investigation Officers and vi) Conducting CTE type Intensive Examination was held for Intensive Examination Teams in all Units of BEL.
- Guest lecture on "PC Act 2018" and "Preventive Vigilance in day to day activities of the organisation" was delivered to employees of Bangalore Complex.
- Talk on POSH was conducted at Navi Mumbai unit where a large number of employees attended.
- Vigilance Awareness Programme at Induction level was conducted to newly recruited HR, Finance, Legal, CC Executives, Project Engineers, Trainee Engineers, Apprentices, Probationary Engineers and Scientists at Bangalore Complex, Hyderabad Unit, Ghaziabad Complex, CRL-Ghaziabad, Machilipatnam Unit, Kotdwara Unit, Pune Unit, Navi Mumbai Unit and Chennai Unit.

1,428 Executives and 388 Non-Executives were given basic awareness programme on Vigilance and 1,195 newly recruited executives were given training on Vigilance as a part of Induction Programme

ISO 9001 Quality Management System:

ISO 9001 Re-certification Audit was conducted by M/s GCQ Certifications India LLP, Kochi during 18 & 19 June 2025 and the vigilance department was certified for ISO 9001: 2005

Integrity Pact

One of the initiatives of the Central Vigilance Commission (CVC) to eradicate corruption in procurement activity is introduction of the Integrity Pact in large value contracts with Government Organisations. In line with the directives from Ministry of Defence and the Central Vigilance Commission, your Company has adopted Integrity Pact with all the vendors/ supplies/contractors/service providers for all Orders/Contracts of value ₹ 300 Lakhs and above. The Integrity Pact essentially envisages an agreement between the prospective vendors/ bidders and the principal (BEL), committing the persons/ officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the principal, would be considered competent to participate in the bidding process. An Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings, and monitoring the implementation of the Integrity Pact in the Company.

As recommended by the CVC, the Company has appointed Mr Sanjay Kumar Srivastava, IAS (Retd.), Mr Rajiva Ranjan Verma IPS (Retd.), Mr Ashwani Kumar, former CMD, Dena Bank, for monitoring the implementation of the Integrity Pact in the Company.

Total 11 IEM meetings were conducted with 2 Structured meeting with CMD. Contracts reviewed for the year 2025-26 are 705.

Procurement from Micro & Small Enterprises (MSEs)

Your Company has been providing increased thrust on enhancing procurement from Micro & Small Enterprises (MSE) and has been implementing Public Procurement Policy for MSEs as per the guidelines/notification issued by the Ministry of MSMEs. BEL has on boarded on the TReDS Platform, GeM, MSME Sambandh & MSME Samadhaan Portals complying with Government guidelines.

The Company has conducted and participated in Vendor Development Programmes for Indian vendors including

MSMEs/Start-ups on various occasions throughout the year. BEL extends special provisions as envisaged in the Ministry of MSME notifications, released from time to time, to MSME/ Start-ups in procurement.

BEL's procurement from MSEs is 44.57% of total Domestic procurement during FY 2025-26 against the mandatory target of 25% as per the Public Procurement Policy for MSEs.

Implementation of Official Language Policy

Your company is committed to adhere to the Official Language (OL) policy of the Government of India. During 2025-26, your Company has achieved all the targets prescribed in the Annual Program issued by Dept. of OL, Ministry of Home Affairs (MHA), GoI to transact official work in Hindi.

OL Inspections: Drafting and Evidence Committee of the Committee of Parliament on Official Language conducted OL inspection of Kolkata TOLIC and selected member offices, including the BEL's Regional Office on 20 September 2025 and First Sub-Committee of Committee of Parliament on Official Language conducted OL inspections of Hyderabad Unit on 17 January 2026. MoD officials conducted OL inspection of RO Delhi (06 February 2026), Panchkula Unit (27 February 2026) and RO Vizag (05 March 2026). Corporate OL Inspection team conducted 07 inspections of its subordinate Units/Offices.

Training and Reporting: Roster is maintained for Hindi language training and computer training, which is updated from time to time. As per the Roster, employees were nominated for online training. Quarterly/half yearly reports are sent to the OL Dept., MHA, GoI, MoD, Hindi Teaching Scheme and Town Official Language Implementation Committee (TOLIC) as per the schedule.

Computerisation and Website: Updated information pertaining to OL is being communicated through OL Portal GARIMA introduced by the OL Dept. of Corporate Office. Quarterly progress reports from Units/Offices are being received online in SAP. Hindi notings are being written in File Life-cycle Management (FLM). Provision has been made to open the Homepage of the Company's website in Hindi.

Bilingualisation: All Units and Offices of the Company including Corporate Office are issuing documents in bilingual as per the Section 3(3) of the Official Language Act, 1963. Usage of Hindi is being encouraged in correspondence and on computers. Individual orders under OL Rule 8 (4) were issued to officers/employees who are having proficiency in Hindi to do their complete work in Hindi. Also, a circular on creation of Check Points under Rule 12(1) of OL Rules was issued.

Participation: OL teams of BEL participated in the 5th All India OL Conference, 02 conferences on the occasion of Golden Jubilee celebration of Dept. of OL, MHA and 02 Regional OL Conferences organised by the Dept. of OL, MHA. Honourable Minister for Coal and Mines Shri G Kishan Reddy released BEL Rajbhasha Coffee Table Book 'ATHAK' during the Dakshin Samvad program held on 11 July 2025 by Dept. of OL, MHA.

OL Programs: All India BEL OL Conference was organized in BEL Navi Mumbai Unit on 07 November 2025. A competition on Translation for the member offices of TOLIC (Undertakings) was organised in Bengaluru. OLIC meetings, Hindi Workshops and Technical Talks in Hindi were conducted by all Units/ Offices. Hindi Month and Hindi Day during September, World Hindi Day and World Mother Tongue Day was observed in all the Units and Offices of the Company.

Publications: Hindi Magazines were published by the Units / Corporate Office to propagate usage of Hindi in the company.

Incentives and Awards: Company has various lucrative Incentive Schemes for doing original work in Hindi. These schemes are named after renowned Hindi Litterateur which carry cash awards from ₹ 2,000 to ₹ 10,000. Employees have participated in the TOLIC competitions and won prizes. Corporate Office was awarded for excellence in OL implementation by TOLIC (Undertaking), Bengaluru. CMDs OL Shield for excellence in OL implementation was awarded to the subordinate units situated in A, B and C regions respectively. OL Officer and Translator of Corporate Office were awarded in the All India Shabd Sindhu and Machine Translation Tool KANTHASTH 2.0 organised by the Dept. of OL, MHA.

New Initiatives: In order to propagate Hindi among employees, a Linguistic Harmony Program was organised in which popular television serials were screened. BEL Rajbhasha Coffee Table book 'ATHAK' was published, highlighting OL implementation, new initiatives and achievements of BEL. A dedicated section for OL has been introduced on the Company's website. Defence Electronics Glossary of BEL is prepared in coordination with the Commission for Scientific and Technical Terminology (CSTT), Ministry of Education. A special Technical Seminar was organised in which 12 teams of scientists took part and gave presentations in Hindi. As part of Krishna Sobti Hindi Lecture Series, lectures were organised on general interest and technical topics.

Continuous efforts are being made to ensure OL Implementation and for increasing progressive usage of Hindi across the Company.

Implementation of the Right to Information Act, 2005

In consonance with the provisions of the Right to Information Act, 2005 (the Act), your company has well-defined mechanism in place to address the provisions of the Act. Your Company designated a General Manager level officer as a "Nodal Officer" to oversee the implementation. The requests received are processed by 17 senior personnel designated as "Central Public Information Officers (CPIOs)" including one at Corporate Office and each at the Units/ROs. Your Company designated a General Manager level officer as a "First Appellate Authority" to dispose of first appeals filed under the Act. In compliance with Government directives, your company is successfully processing the applications under the Act, via online portal. The information to be provided as per Section 4(1) (b) of the Right to Information Act, 2005 has been published on the website of company (www.bel-india.in)

The FAA, CPIOs and other internal stakeholders involved are sensitised about their obligations under the Act through training and workshops.

Your Company received 1,255 applications (including 46 transferred by other Public Authorities to BEL) during the period from April 2025 to March 2026 and 39 RTI applications were carried forward from the year 2024-25. A total of 1,128 applications were responded including 106 applications that were rejected, out of a total of 1,294 applications. Your Company received 122 First Appeals during the period, out of which 114 were disposed. Quarterly RTI returns for all the four (4) quarters have been submitted to the Central Information Commission.

Meetings of Board and Committee(s)

During the year, eight Board meetings were held and the maximum interval between any two meetings was not more than 120 days. The details of meetings of the Board and Committee(s) held during FY 2025-26 are furnished in the Corporate Governance Report, which forms a part of this report.

Change in Directors & Key Managerial Personnel and their Shareholding

The following changes took place in the Directorate and Key Managerial Personnel of your Company during FY 2025-26:

Sl. No.	Name of the Director	Designation	Date of Appointment	Date of Cessation
1	Lt. General (Retd.) Vishwambhar Singh (DIN: 09461326)	Independent Director	23.04.2025	Not Applicable
2	Mr Harikumar Raghavan Nair (DIN: 11086669)	Director (R&D)	02.05.2025	Not Applicable
3	Mr Pradeep Tripathi (DIN: 11111295)	Independent Director	16.05.2025	Not Applicable
4	Mr Bharatsinh Prabhatsinh Parmar (DIN: 11194293)	Independent Director	21.05.2025	Not Applicable
5	Mr Kamesh Kasana (DIN: 11194293)	Director (Other Units)	14.07.2025	Not Applicable
6	Mr Rajeev Prakash (DIN: 08590061)	Govt. Nominee Director	Not Applicable	16.07.2025
7	Ms Meera Mohanty (DIN: 03379561)	Govt. Nominee Director	16.07.2025	Not Applicable
8	Mr. Vikraman N (DIN: 10185349)	Director (HR)	Not Applicable	31.03.2025

Lt. General Vishwambhar Singh (Retd.) (DIN: 09461326) ceased to be an Independent Director with effect from 23 April 2026 upon completion of his tenure. Mr. K. V. Suresh Kumar (DIN: 10200827) ceased to be the Director (Marketing) with effect from 1 July 2026 on attaining the age of superannuation.

Mr Manoj Jain, Chairman & Managing Director, Mr Damodar Bhattad S, Director (Finance) and Chief Financial Officer and Mr S Sreenivas, Company Secretary, are the KMPs, in terms of Section 203 of the Companies Act, 2013.

Mr Rajnish Sharma (DIN: 10738394), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The details of Directors and Key Managerial Personnel (KMPs) who are holding shares in the Company as on 31 March 2026 are given below:

Sl. No.	Name	Designation	No. of Equity Shares Held
1	Mr Manoj Jain (DIN: 09749046)	Chairman & Managing Director	7,590
2	Mr Damodar Bhattad S (DIN: 09780732)	Director (Finance) & CFO	3,789
3	Mr Vikraman N (DIN: 10185349)	Director (HR)	3,789
4	Mr Rajnish Sharma (DIN: 10738394)	Director (Bangalore Complex)	3,780
5	Mr Harikumar Raghavan Nair (DIN: 11086669)	Director (R&D)	1,890
6	Lt. General (Retd.) Vishwambhar Singh (DIN: 09461326)	Independent Director	1,100
7	Mr Sreenivas S	Company Secretary	2,289

The Company has not issued any convertible securities during the year.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors, in terms of Sections 134(3)(c) & 134(5) of the Companies Act, 2013 state that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2026 and of the profit of the Company for the year ended 31 March 2026;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors ensured proper internal financial controls were in place and such financial controls were adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place, and the same were adequate and operating effectively.

Integrated Report

The Company, has voluntarily provided an Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well-informed decisions and have a better understanding of the Company's short, medium and long-term perspectives. The Report also touches upon aspects such as the organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

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 the Company's operations in future.

Events Subsequent to the Date of Financial Statements

There are no material changes and commitments affecting the financial position of the Company which occurred between 31 March 2026 and the date of signing of this Report.

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 FY 2025-26 were on an arm's length basis and were in the ordinary course of business. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. All Related Party Transactions are placed before the Audit Committee and also before the Board for approval, if required. Members may refer to the notes to the accounts for details of related party transactions. The policy for related party transactions has been uploaded on the Company's website www.bel-india.in. Information pursuant to Section 134(3)(h) of the Companies Act, 2013, read with rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 is attached to this report as **Annexure-1**.

Corporate Social Responsibility

Your Company has formulated a Corporate Social Responsibility Policy pursuant to the provisions of Section 135 & Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, read with various clarifications, amendments issued by the Ministry of Corporate Affairs (MCA). The Corporate Social Responsibility Policy is posted on the Company's website, www.bel-india.in. The CSR activities undertaken by your Company are in-line with the applicable Government Legislations & Guidelines issued from time to time, directing CSR fund distribution, themes for CSR expenditure, areas of operation etc.

Community interventions by your company focus on holistic development, institution building and sustainability-related initiatives. The focus sectors are Healthcare, Education, Skill Development, Rural Development and Environmental Sustainability. By implementing capacity building measures, empowering marginalised and underprivileged communities, your company strives for inclusive growth and equitable societal development. During FY 2025-26, your company undertook CSR projects majorly in the theme of Healthcare with preference being given to Aspirational Districts identified by NITI Aayog. Accordingly, your Company has rolled out focussed interventions to augment health infrastructure in Government Hospitals specially for the women. Education sector was also prioritised in enabling the access to digital learning tools in the rural, specifically in the tribal areas. Your Company also rolled out CSR interventions promoting skills training, thus enhancing the employability of youth. Pursuant to the requirement under the Companies (Corporate Social Responsibility) Rules, 2014 (as amended), a report on CSR activities for FY 2025-26 is annexed herewith as **Annexure-2**.

Statutory Auditors

Pursuant to Section 139(5) of the Companies Act 2013, for FY 2025-26, the Comptroller and Auditor General of India (C&AG) appointed M/s RAO & EMMAR, Chartered Accountants, Bengaluru, as Statutory Auditors of the Company for the audit of accounts of Bangalore Complex, Hyderabad unit, Chennai unit and Corporate Office. M/s C V Chitale & Co., Chartered Accountants, Pune, were appointed as Branch Auditors of Pune & Navi Mumbai units. M/s Dhawan & Co, Chartered Accountants, New Delhi, were appointed as Branch Auditors of Ghaziabad unit, Panchkula unit and Kotdwara unit. M/s E C & Associates, Chartered Accountants, Machilipatnam, were appointed as Branch Auditors for the Machilipatnam unit.

The Statutory Auditors' Report on financial statements for FY 2025-26 and 'Nil' comments of the Comptroller & Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on the financial statement, including consolidated financial statement, are appended to the Annual Report.

Cost Auditors and Maintenance of Cost Records

Your Company appointed M/s GNV & Associates, Cost Accountants, Bengaluru, as Cost Auditors of the Company for FY 2025-26 for the audit of the cost records of the Company. The Company maintains cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), the Company has appointed M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries, Bengaluru for FY 2025-26 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as **Annexure-3**.

The Secretarial Auditor in his report observed that – (i) During FY 2025-26, the composition of Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulations, 2015, Section 149 of the Companies Act, 2013 and DPE Guidelines, due to vacancies in the position of Independent Directors. (ii) The Composition of Audit Committee was not in terms of Regulation 18 of SEBI (LODR) Regulations, 2015, Section 177 of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 15 May 2025, due to vacancies in the position of Independent Directors. (iii) The Composition of Nomination and Remuneration Committee was not in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, Section 178(1) of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors. (iv) The composition of the Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May, 2025, due to vacancies in the position of Independent Directors. (v) The Composition of Risk Management Committee was not in terms of Regulation 21 of SEBI (LODR) Regulations, 2015 w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors. (vi) The Composition of the CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

It is informed that the above mentioned non-compliance is due to the non-appointment of the requisite number of Independent Directors on the Board of BEL. BEL being a Govt.

Company, all Directors on the Board of BEL are appointed by the Govt. of India, and the selection process & appointment, which involves various Ministries and approval by the ACC, takes time and is beyond the control of the Company.

Reporting of Frauds by Auditors

During the year, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee under Section 143(2) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return in the prescribed format has been hosted on the website of the company at - https://bel-india.in/investors/#annualreports.

Risk Management

Pursuant to Reg.21 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference, Risk Management Policy etc. are set out in the Corporate Governance Report and a detailed note on Risk Management is provided in the Management Discussion and Analysis Report, which forms a part of this report.

Company's Policy on Director's Appointment, Remuneration and Board Evaluation

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for the selection and appointment of Directors, Senior Management and their remuneration, Board Evaluation, etc. The details are set out in the Corporate Governance Report, which forms part of this report.

Vigil Mechanism/Whistle Blower Policy

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

Declaration from Independent Director(s)

The Company has received necessary declaration from Independent Director(s) of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 that the Independent Director(s) of the Company meet with the criteria of his Independence laid down in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Management Discussion and Analysis Report

Management Discussion and Analysis Report required under the SEBI (LODR) Regulations, 2015 and also under the Government (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), is attached to this Report as **Annexure-4**.

Particulars of Loans, Guarantees & Investments

In terms of Circular No. GSR 463(E) dated 5 June 2015, issued by the Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempt from Section 186 of the Companies Act, 2013.

Particulars of Employees and Related Disclosures

The provisions of Section 197 of the Companies Act and the relevant Rules regarding particulars of employees drawing remuneration in excess of the limits specified are exempted for Government Companies, in view of the Gazette Notification No. GSR 463 (E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India.

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, which forms part of this report.

Audit Committee

As on 31 March 2026, the Audit Committee comprised three Independent Directors, viz., Lt. General (Retd.) Vishwambhar Singh as Chairman, Mr Pradeep Tripathi and Mr Bharatsinh Prabhatsinh Parmar as Members. During FY 2025-26, all the recommendations made by the Audit Committee were accepted by the Board.

Corporate Governance Report

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015 and DPE Guidelines, a Report on Corporate Governance along with a Compliance Certificate issued by the Statutory Auditors of the Company is attached with this report as **Annexure-5**.

Business Responsibility and Sustainability Report (BR&SR)

The SEBI (LODR) Regulations, 2015 mandated the inclusion of the Business Responsibility & Sustainability Report (BR&SR) as part of the Annual Reports for the top 1,000 listed entities based on market capitalisation. In terms of Regulation 34(2)(f) of Listing Regulations, a BR&SR for FY 2025-26 describing the initiatives taken by the Company from an Environmental, Social and Governance (ESG) perspective, in the format as specified by SEBI from time to time, is attached with this report as **Annexure-6**, along with the Reasonable Assurance Certificate.

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

Your Company, being a Defence PSU, the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended) is not required as the Ministry of Corporate Affairs vide Notification GSR No. 680 (E) dated 4 September 2015 has granted exemption to Defence Public Sector Undertakings.

Compliance with Secretarial Standards

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

Valuation for one time settlement

There was no instance of one time settlement with any bank or financial institution.

Compliance with Maternity Benefit Act, 1961

The Company is compliant with the applicable provisions of the Maternity Benefit Act, 1961 and has policies, systems and processes in place to ensure ongoing compliance.

Proceedings under the Insolvency and Bankruptcy Code, 2016

No proceedings are initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016.

State of Affairs

The Company did not undergo any change in the nature of its business during FY 2025-26.

Acknowledgements

Your Directors place on record their deep appreciation and gratitude for the valuable support received from all the customers, particularly the Defence Services and the Paramilitary Forces and look forward to their continued support and co-operation in future. Your Directors also place on record their gratitude for the support received from the various Ministries of the Government of India, especially the Ministry of Defence, and the Department of Defence Production. Your Directors express their gratitude to the Defence Research and Development Organisation (DRDO) and the various Research Laboratories under DRDO, particularly in the joint development programmes and new products. Your Directors express their sincere thanks to the Comptroller and Auditor General of India, Statutory Auditors, Branch Auditors, Cost Auditors, Secretarial Auditors, Company's Bankers, Collaborators and Vendors. Your Directors appreciate the sincere effort by the employees at all levels, which enabled the Company to achieve a good performance during the year. Your Directors express their appreciation and gratitude to all the shareholders/investors for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board

Bengaluru
1 August 2026

Manoj Jain
Chairman & Managing Director

Annexure-1

Form No. AOC- 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts/arrangements/transactions: Not Applicable

   (c) Duration of the contracts/arrangements/transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

   (f) Date(s) of approval by the Board: Not Applicable

   (g) Amount paid as advances, if any: Not Applicable

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts/arrangements/transactions: Not Applicable

   (c) Duration of the contracts/arrangements/transactions: Not Applicable

   d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Date(s) of approval by the Board: Not Applicable

   (f) Amount paid as advances, if any: None

For and on behalf of the Board

Bengaluru
1 August 2026

Manoj Jain
Chairman & Managing Director

Annexure-2

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of BEL is approved by the BoD and is in line with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, as amended. The objective is to contribute to inclusive growth, sustained and equitable development in society through capacity building measures, empowerment of the marginalized and underprivileged sections/communities. The CSR Policy has been uploaded in the website of the Company https://www.bel-india.in

2. Composition of CSR Committee during FY 2025-26:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Manoj Jain	Executive Director / Chairman	4	4
2	Dr. Binoy Kumar Das (Ceased to be a Member w.e.f 21.05.2025)	Non-Executive Nominee Director/Member	0	0
3	Mr Bharatsinh Prabhatsinh Parmar (Appointed as a Member w.e.f 21.05.2025)	Independent Director	4	4
4	Mr. Damodar Bhattad S	Executive Director / Member	4	4
5	Mr. Vikraman N	Executive Director / Member	4	4
6	Mr. Rajnish Sharma	Executive Director / Member	4	3

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

i. Composition of CSR Committee Web-link: https://bel-india.in/investors/#boardofdirectors

ii. CSR Policy Web-link: https://bel-india.in/wp-content/uploads/2023/03/CSR-Policy-28.03.2023.pdf

iii. Approved CSR Projects Web-link: https://bel-india.in/wp-content/uploads/2026/05/LIST-OF-CSR-PROJECTS-2025-26-ENGLISH.pdf%22

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

The Company has carried out Impact Assessment of Infrastructure/Facilities created in Govt. Hospital / CHC, Wildlife Sanctuary and Surveillance Infrastructure by Bharat Electronics Limited (BEL) under Corporate Social Responsibility (CSR) through an independent agency. The Executive Summary of Impact Assessment Report is available on the Company's website at https://bel-india.in/csr/impact-assessment-reports-of-csr-projects/

5. **(a) Average net profit of the company as per sub-section (5) of section 135.** ₹ 53,89,39,09,750.84

   (b) Two percent of average net profit of the company as per sub-section (5) of section135. ₹ 1,07,78,78,195.00

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. Nil.

   (d) Amount required to be set-off for the financial year, if any. Nil.

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. ₹ 1,07,78,78,195.00

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 27,24,07,913.72

(b) Amount spent in Administrative Overheads. ₹ 5,13,27,000.00

(c) Amount spent on Impact Assessment, if applicable: ₹ 5,78,200.00

(d) Total amount spent for the Financial Year[(a)+(b)+(c)]. ₹ 32,43,13,113.72

(e) 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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
32,43,13,113.72	75,21,44,086.28	30-04-2026	-	*	-

*Amount pertaining to other than on-going project is ₹ 14,21,800.00 which will be transferred to Specified Funds under Schedule VII within the prescribed time limit.

(f) Excess amount for set-off, if any: Nil.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2024-25	52,50,22,077.00	52,50,22,077.00	17,81,71,436.15	23,88,437.00	27.09.2025	34,68,50,640.85	
2	2023-24	38,42,22,741.56	26,83,54,004.10	8,79,98,028.71	NIL		18,03,55,975.39	
3	2022-23	30,81,97,901.00	14,93,62,029.93	13,37,02,795.39	NIL		1,56,59,234.54	
4	2021-22	22,56,32,261.68	80,51,624.40	80,51,624.40	NIL		-	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section135.

In order to have a long-term social impact through CSR, the Company has taken up several on-going CSR initiatives in project mode with project duration of more than one year, with mile-stone based payments spread across more than one fiscal year. The unutilized amount pertaining to these on-going projects has been transferred to BEL Unspent CSR Account and will be utilized as the projects progress. This is also in line with the Companies Act, 2013, Companies (CSR Policy) Rules, 2014 and amendments thereof.

For and on behalf of the Board

Manoj Jain
Chairman & Managing Director

Bengaluru
1 August 2026

Annexure-3

Secretarial Audit Report For The Financial Year Ended 31 March 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Bharat Electronics Limited
Outer Ring Road
Nagavara, Bengaluru - 560045, Karnataka

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Electronics Limited (CIN: L32309KA1954GOI000787) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2026, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2026 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;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

It was observed that few designated persons had traded in shares of the Company in violation of the regulations and code of conduct of the Company in relation to Insider trading. However, the Company has identified the irregularities and has taken necessary action on such designated persons in compliance with the regulations and the code of conduct of the Company;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the audit period); and

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI (LODR) Regulations, 2015); and

(i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable during the audit period).

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

(i) During the FY 2025-26, the composition of Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulations, 2015, section 149 of the Companies Act, 2013 and DPE Guidelines, due to vacancies in the position of Independent Directors.

(ii) The Composition of Audit Committee was not in terms of Regulation 18 of SEBI (LODR) Regulations, 2015, Section 177 of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 15 May 2025, due to vacancies in the position of Independent Directors.

(iii) The Composition of Nomination and Remuneration Committee was not in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, section 178(1) of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

(iv) The composition of the Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f 01 April 2025 to 20 May, 2025, due to vacancies in the position of Independent Directors.

(v) The Composition of Risk Management Committee was not in terms of Regulation 21 of SEBI (LODR) Regulations, 2015 w.e.f 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

(vi) The Composition of CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws / guidelines/rules applicable specifically to the Company:

(i) Guidelines issued by Department of Public Enterprises;

(ii) Guidelines/Circulars issued by Ministry of Defence from time to time;

(iii) Order/Regulations issued by the Govt. of India from time to time;

(iv) E-Waste (Management & Handling) Rules, 2016.

We further report that:

Subject to the above qualifications, 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 was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven/two days in advance as applicable 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; and

Majority decision was carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period there are following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: Nil.

For **Thirupal Gorige & Associates LLP**
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H000398687

Place: Bengaluru
Date: 19 May 2026

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

'Annexure A'

To
The Members
Bharat Electronics Limited
Outer Ring Road
Nagavara, Bengaluru - 560045, Karnataka

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

(1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

(2) We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, we 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. Our 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.

For **Thirupal Gorige & Associates LLP**
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H000398687

Place: Bengaluru
Date: 19 May 2026

Annexure-4

Management Discussion and Analysis Report

(A Industry Structure and Developments, Strengths, Weaknesses, Opportunities and Threats, Major Initiatives undertaken and planned to ensure sustained Performance and Growth:

(a) General outlook of the 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

Global economic growth remains steady but weak, with heightened policy uncertainty, tariffs and geopolitical situation creating significant headwinds in FY 2024-25, India progressing with steady economic growth. As per estimates, in the year 2026, India's real GDP is estimated to grow by 7.6%. India is confident of becoming the third largest economy in the next two years with a GDP of USD 5 trillion. India is ranked as the world's fastest-growing major economy.

The Indian economy is primarily driven by the services sector (55% of GDP), manufacturing and strong public infrastructure spending. Key contributors include booming electronic/engineering exports, a strong digital economy, high GST collections and a robust financial sector with record-low NPA levels. Strong growth in the export of engineering goods, electronic goods and marine products is a major achievement. Export of services surged with India solidifying its position as a global technology hub.

Defence

In the budget for FY 2026-27, the Government allocated ₹ 7.85 Lakhs Crore to MoD, an increase of 15.19% over the previous year. Budgetary allocation under capital head to the Defence Forces is over ₹ 2.19 Lakhs Crore which is 21.84% more than the previous year. Out of the ₹ 2.19 Lakhs Crore, ₹ 1.85 Lakhs Crore has been earmarked for capital acquisition (an increase of 24% over the previous year).

The budget gives a strong thrust to Aatmanirbhar Bharat by promoting indigenous manufacturing and reducing import dependence (Self Reliant India). ₹ 1.39 Lakhs Crore (over 75%) has been allocated for procurement from domestic private and public sector industries.

The forthcoming Capital Acquisition projects will equip the Armed Forces with next generation Fighter Aircraft, Advanced Weapons, Ships and Submarines, Unmanned Aerial Vehicles, Drones, etc.

Raw material imported for Aircraft manufacturing, repair, maintenance and overhaul requirements in defence sector to be exempted from basic customs duty. This measures support domestic production, investment and job creation.

The budgetary allocation to the Defence Research and Development Organisation (DRDO) has been increased to ₹ 29,100 Crore from ₹ 26,817 Crore in the previous year. Out of this, the majority share of ₹ 17,250 Crore is allocated for capital expenditure. To promote R&D in defence manufacturing, the Government has implemented a range of measures which include: 25% of the Defence R&D budget has been opened to industry, start-ups and academia based on the budget 2025-26 announcements. Fifteen DRDO-Industry-Academia Centres of Excellence (CoE) have been established. DRDO has built a network of around 2,000 industries to manufacture equipment with ToT at zero ToT fee to Indian partners to empower innovation.

The Union Budget 2026-27, the first Union Budget after the historic success of Operation Sindoor, reflects the Government's sustained focus on strengthening national security through modernisation, self-reliance and innovation. With a strong push for indigenous defence manufacturing, focussed investments in research and infrastructure. The budget for the Defence Sector promises a more secure and resilient India, aligned with the long-term vision of Viksit Bharat-2047.

Non-Defence

Apart from its core Defence business, BEL has ventured into several non-defence areas like Homeland Security, Space Electronics, Network & Cyber Security, Rail & Metro Solutions, Civil Aviation, Medical-Electronics & Healthcare Solutions and Software Solutions, etc.

Homeland Security

The Homeland Security market in India is spread across Central / State Governments, entities including PSUs and Private Sector Organisations. The Indian security market is poised for rapid growth, with biometrics and smart surveillance emerging as significant segments. A significant market opportunity exists in police modernisation, critical infrastructure protection, border management, counter terrorism activities, urban area security, ground transportation, port & maritime security, etc. Prevailing internal security concerns due to terrorism, cybercrime and natural disasters, growth in public infrastructure, increased IT spending, increase in security spending are boosting demand for the Homeland Security market in India. The future growth and improved security measures will be driven by emphasis on AI, machine learning, IoT, big data analytics and advanced sensor systems.

The Ministry of Home Affairs (MHA) has been allocated ₹ 2.55 Lakhs Crore in the Union Budget 2026-27, marking a 9.44% increase from the previous year. This allocation represents roughly 5% of the total Union Budget. Key focus areas include ₹ 1.73 Lakhs Crore allocated for police-related expenses, covering central armed police forces (CAPFs), intelligence, and forensics, approx. 27% of the budget is allocated to Union Territories with a significant share for Jammu and Kashmir, ₹ 6,000 Crore for conducting Census & Statistics, funding for refugee relief, disaster response, and rehabilitation.

During FY 2025-26, BEL has successfully completed the Rourkela and Port Blair Smart City projects with 'Go-Live' milestone achievement.

Energy Storage Products

The Union Budget for FY 2026-27 reinforces India's transition toward a high-growth, low-carbon economy, positioning the nation as a global hub for Energy Storage Systems (ESS). With the increasing integration of renewables into the national grid, the government has intensified its focus on Battery Energy Storage Systems (BESS) and Advanced Chemistry Cell (ACC) manufacturing to ensure energy security and grid stability. India's emphasis on energy storage is expected to enhance grid stability, reduce reliance on imports, and accelerate renewable adoption.

FY 2026-27 Budget strengthens India's energy storage ecosystem with customs duty exemptions, financing reforms, and CCUS (Carbon Capture, Utilisation and Storage) initiatives. The global BESS market is projected to grow from USD 51 Billion in 2025 to USD 106 Billion by 2032, at a CAGR of 16%.

The Government approved the Production Linked Incentive (PLI) Scheme, 'National Programme on ACC Battery Storage' continues with a target of 50 GWh manufacturing capacity, supported by a budgetary outlay of ₹ 18,100 Crore. The new PM E-DRIVE Scheme, the primary driver for FY 2026-27, with a total outlay of ₹ 10,900 Crore acts as a demand pull mechanism by creating a massive, predictable market for the batteries that powers them.

BEL is addressing the energy storage system (ESP) requirement for strategic applications and EV segment among its focussed markets. BEL has acquired technology from DRDO for high-capacity Lithium-ion cells for strategic applications and has set up required R&D facility. BEL is also exploring the adoption of fuel cell based technologies for commercial manufacturing in partnership with a technology partner.

Space Electronics

ISRO continues to expand opportunities for the Indian industry, focussing on the manufacturing of Launch Vehicles as well as small and micro-satellites. In line with ISRO's ambitious roadmap to scale the frequency of satellite launches, the Department of Space has been allocated a projected budget of ₹14,250 Crore for FY 2026-27.
This represents an increase of approximately 6.22% compared to the ₹ 13,416 Crore allocated in FY 2025-26. Of this total outlay, ₹ 6,800 Crore has been earmarked specifically for capital expenditure, signalling an intensified push toward advanced satellite technology development, deep-space exploration and the Gaganyaan mission ecosystem.

India's liberalised Foreign Direct Investment (FDI) policy remains a cornerstone of this growth, continuing to allow up to 100% FDI under the automatic route for "manufacturing of components and systems/sub-systems for satellite & ground/user segments, and 74% for satellite manufacturing & operation and 49% for launch vehicles and spaceports.

BEL is one of the major players in the ground segment of Satellite Communication and desires to enter into Space Electronic Systems, manufacture of Small & Micro Satellites, Payloads for Satellites and Satellite Communication Services jointly with the Indian private industry. BEL has long term objective of becoming a prominent player in Space-Based Assets and Payloads.

BEL is a qualified industry partner of ISRO for Assembly, Integration and Testing (AIT) of satellites. It has completed Satellite AIT of three RISAT satellites

at ISRO premises. BEL has collaborated with ISRO and has come out with new products like variants of Indigenous Receivers for Positioning and Navigation, Satcom Terminals, LTCC-based Substrates and high power space TWTAs, which have usage in Defence, Government services and paramilitary applications. Also, BEL is jointly working with ISRO for supply and commissioning of various types of Satellite networks and HUBs for satellite communication applications. BEL has plans to establish manufacturing facilities for LEO Satellites as well as Space based payloads for Defence space related projects. BEL has collaborated with M/s Arquimea in development of satellite bus. BEL has also collaborated with M/s Bellatrix for satellites, LEO/MEO/VLEO constellation and related space & ground electronics for various Customer Segments

Network and Cyber Security

India's cyber-security market is emerging as a global hub for innovation and cyber-security. The cyber-security market in India which is driven by investments by organisations to safeguard against cyber threats is expected to grow at a CAGR of 18.33% and reach ₹ 1 Lakh Crore (USD 12.9 Billion) by 2030.

In order to address opportunities in cyber-security market in a focussed manner, a dedicated Strategic Business Unit (SBU) at BEL Bangalore has made significant progress in implementing a considerable amount of cyber-security business such as the Security Analytics Centre (SAC) for Govt. agencies, Data-Diode Solutions, PKI and associated services for the Defence forces, Security services for Banking/Govt. Agencies, Secure Rugged Laptops, Next Generation Firewall Systems, Security Operation Centre (SOC) for PSUs, etc. Besides, an AI powered Adaptive Cyber Defence System (ACDS) test bed has been established in BEL Datacentre. BEL has successfully ventured into the Health Sector Security Solution, with sizeable order from AIIMS. It is noteworthy to mention here that BEL has also initiated research in advanced technology domains such as Cyber Forensics, I-TOSS (Indigenous Trusted Operating System Secure) and High Computing Infrastructure (HCI), gaining domain expertise and developing solutions. Various MoUs with technology partners have been signed for pursuing opportunities in the near future.

In the cyber domain, the High Performance Computing (HPC) sector is witnessing robust growth, fuelled by the escalating demand for sophisticated data processing across diverse industries. The global HPC market is predicted to reach USD 71 Billion and the Indian HPC market is expected to reach USD 4.3 Billion by 2030. The setting up of HPC facility has been initiated at BEL Bangalore to address the business in the HPC segment.

BEL is vigorously pursuing current technologies like Quantum Key Distribution, Block-chain, Digital Forensics, Remote Voting, IoT security, etc., in collaboration with several Start-ups, OEMs, Channel Partners and Academia.

BEL has been empanelled by CERT-In for providing information security auditing services. BEL Network and Cyber-security is an ISO 27001 Information security management systems-certified division. Various Cyber Security certifications have been obtained by this group, including CEH, GSEC, Lead Auditor for ISO 27001, CISSP, CSQE, CHFI, CCNA, etc. certification to qualify in domestic and global tenders. During the year, BEL acquired Cyber-security projects from customers like ICMR, AIIMS, etc.

Railways and Metro

India's railway sector is undergoing massive transformation with a focus on modernisation, high-speed rails (bullet trains) and electrification. There is a rapid growth in the Rail and Metro business driven by factors like new Metro Rail Policy, smart mobility initiatives, increasing urbanisation and rising costs of conventional energy sources. Further, Metro is being expanded in tier-2 and tier-3 cities. With growing demand for green transportation and sustainability goals, the global rail and metro market is expanding rapidly at 7.5% CAGR through 2032.

For FY 2026-27, Indian Railways has received its highest-ever capital expenditure allocation of ₹ 2.93 Lakhs Crore. As a part of this vision, the government has announced the development of seven new intercity high-speed rail corridors described as growth connectors aimed at promoting environmentally sustainable passenger transport.

BEL has developed and delivered a wide range of indigenous products for the Rail & Metro segment. BEL has planned to address emerging opportunities through indigenous products in this segment, countering competition. To address the huge opportunities, Rail and Metro Micro SBU has been formed by BEL in Ghaziabad Complex, which is in proximity to customers like DMRC, MOHUA, RDSO and NCRTC. A dedicated Micro SBU will enable enhanced focus in providing the solutions to the customer in time, acquiring the orders, supplying the deliverables and completion of services.

Civil Aviation

The global aviation market is valued at USD 1,042 Billion in 2025 and is projected to grow at a CAGR of 8.1% between 2026 and 2034. The aircraft passenger traffic in India is estimated to reach 1.1 Billion by 2040, and the number of airports will increase to 350-400 by 2047 from the existing 163 in the country. With 300 million domestic air passengers a year in 2030, India's aviation penetration would be at 10-15% by 2030. Domestic air passenger traffic witnessed 10-12% growth while international air passenger traffic was 5% in the last decade. The budget allocation for the civil aviation ministry for FY 2026-27 stood at ₹ 2,102.87 Crore focussing on regional connectivity, safety, and infrastructure development.

The Airports Authority of India (AAI) has earmarked a sum of ₹ 25,000 Crore. Capital expenditure plan for expansion and modernisation, covering new terminals and runway strengthening during FY 2024-25 to 2028-29. AAI has separately earmarked ₹ 3,490 Crore for modernising Communication, Navigation and Surveillance / Air Traffic Management (CNS/ATM) system across its network.

BEL is collaborating with AAI and global OEMs for modernisation of Airports and ground infrastructures, providing solutions for Air traffic management and Radar based Air Surveillance Radar Solutions, Advanced Surface Movement & Guidance Control System Solutions and other ground & navigation solutions, etc.

BEL has successfully developed indigenous Airport Surveillance Radar (ASR) solutions for seamless air traffic control meeting global ATC compliances. With indigenisation efforts, BEL has started acquiring orders of ASR solutions and is actively pursuing domestic and export business opportunities in this segment.

Software

Government has allocated ₹ 1,000 Crore in FY 2026-27 budgets to the IndiaAI Mission to further strengthen the country's artificial intelligence ecosystem and build national AI capabilities. The Indian IT industry, comprising software products, IT services, engineering and R&D services, ITeS/BPO, hardware and e-commerce is expected to reach USD 315 Billion in revenue by 2026, growing at 6.1%, and is expected to reach to USD 400 Billion by 2030, driven by AI-led services, cloud migration and expanding Global Capacity Centres (GCCs), contributing over 7% towards the country's GDP.

Emerging technologies such as real-time battlefield data analytics, autonomous decision making, enhanced situational awareness, Artificial Intelligence (AI) and automation, Geo Analytics, Block chain and embedded software play a vital role in modern warfare and transforming every aspect of the product offerings.

BEL is handling multi-disciplinary projects catering to the in-house software requirements and is also exploring opportunities in both domestic and export markets through strategic partnerships with industry leaders in areas of Homeland security, e-Governance, smart cities, digital transformation, finance management, healthcare, simulators, software assurance services, ERP, Hybrid QA and Industry 4.0 Solutions, digital Agriculture, AI/ML, etc. BEL operates its Software Development Centres (SDCs) in Vizag, Delhi & Indore dedicated to software development. To further expand software development, services and support endeavours, BEL is also planning to establish additional SDCs at different locations across India.

Medical Electronics & Healthcare Solutions

Indian medical electronics market is expected to grow to USD 50 Billion by 2030 symbolising India's transformation from a major importer to a global hub of medical technology innovation and manufacturing, aligning perfectly with the global MedTech market's trajectory toward USD 900 Billion by 2030. Emerging focus on AI and lifestyle science in India is building the next generation of longevity and human performance ecosystems, indicating growth in tech-enabled medical devices.

After successfully manufacturing 30,000 ICU ventilators and around 18,000 Oxygen Concentrators, during the pandemic, BEL has taken firm steps towards diversifying into the medical electronics and healthcare segment. One of the objectives of your company is to tap the opportunities in medical electronic equipment segment, which covers 56% of the MedTech market share and introduce affordable healthcare products/solutions to urban & rural populations in India and achieve Aatmanirbharta in the Healthcare segment.

To quickly grow in this segment, a few niche products, indigenously designed by Indian companies, have been identified which can be manufactured at BEL through ToT. Your Company is also planning to come out with products for futuristic markets, either through an in-house effort or through a collaborative R&D approach. With these approaches, BEL has obtained the licence to manufacture (for sales/distribution) its indigenously developed Haemodialysis machine, a significant milestone for India's MedTech sector. Also, BEL is

planning to produce patient monitoring system for ICUs, turbine-based ventilator, etc.

Focussed approach for new areas in Defence

BEL stands at a critical juncture in India's evolving defence landscape. As India accelerates its defence indigenisation agenda under Aatmanirbhar Bharat, BEL has a strategic imperative to proactively expand its footprint into high-growth, next-generation defence domains beyond its traditional core segments.

The Union budget 2026-27 provided a record ₹ 7.85 Lakhs Crore for defence, focusing heavily on modernisations, capital acquisitions and indigenous production. The allocation aims to strengthen national security, upgrade military capabilities to global standards, and support emergency procurement. To give a focussed approach to upcoming areas in the Defence & Aerospace sector, BEL has ventured into Space & Satellite Systems, Artificial Intelligence, Unmanned Autonomous Platforms, Directed Energy Weapons, Quantum Technologies, Advanced Cyber & Electronic Warfare, RF and IR Seekers, Missiles, Rockets, Glide Bombs, Arms & Ammunitions, etc. The strategy is underpinned by robust investments in R&D, strategic partnerships, capability building, and leveraging India's evolving defence procurement policies.

Unmanned Systems

The unmanned systems sector encompassing Unmanned Aerial Vehicles (UAVs), Unmanned Ground Vehicles (UGVs), Unmanned Surface Vessels (USVs), and Unmanned Underwater Vehicles (UUVs) has emerged as one of the most impactful domains in modern defence warfare. Operation Sindoor marked a doctrinal inflection point for India's armed forces and defence industrial base. For the first time in India's military history, unmanned systems were deployed at scale across all three services in a live, multi-domain conflict environment spanning ISR, precision strike, electronic warfare, counter-drone, and target acquisition missions. Operation Sindoor not only validated the operational supremacy of autonomous platforms in high-intensity conflict but also catalysed the most significant acceleration of defence procurement spending in India in the coming years.The global Unmanned Systems market is projected to grow to USD 43 Billion approximately, at a CAGR of 10% by 2030. The Indian Unmanned Systems market is expected to grow to USD 4 Billion approximately, at a CAGR of 20% by 2030.

BEL has been addressing the UAV/UGV/UUV/USV requirements of the Indian Defence/Non-Defence segments by partnering with DRDO/foreign OEMs/Indian Academia/Start-ups, etc. BEL has also been working on the Payloads (like EO, Communication, ESM, etc.), Data Links and Ground Control Station requirements of the UAVs. BEL has also developed and has been supplying Anti Drone Systems for armed forces. BEL is planning to reallocate the Anti-Drone System business internally for sustained business growth. To address the Unmanned Systems business opportunities in a focussed manner with committed resources, a dedicated Strategic Business Unit (SBU) at BEL, Bangalore has been doing strategic partnerships and addressing requirements of the customers.

BEL has achieved significant milestones across its Unmanned Aerial Vehicle (UAV) and Autonomous Systems portfolio during FY 2025-26. Many strategic UAV programmes (High Altitude Logistics Drone, Loitering Munitions UAV, etc) has progressed through successful trial phases.

RF and IR Seekers

The global missile seekers market was valued at USD 7.3 Billion in 2025 and is projected to grow at a CAGR of 6.5 % between 2026 and 2035.

Investments in missile defence systems is further enhanced by escalated geopolitical tensions among major nations, the need for enhancing the military capabilities through modernisation and ensuring the security and sovereignty of the nations. Government is focussing on upgrading its existing weaponry to ensure national security, which continues to create a robust demand for advanced missile seekers.

The key drivers for the global growth of this segment continues to be increased geopolitical instabilities, the change in nature of the warfare strategies, continuous advancements in missile seeker technologies with increased R&D, increasing defence budgets of emerging economies, European countries, West Asia and other countries in the need for securing their nation, etc.

In recent times, the missile seeker market has witnessed notable trends, including a shift towards multi-mode seekers that can operate across various environments and mission profiles. This flexibility allows for enhanced operational capabilities, ensuring effectiveness in diverse combat scenarios. The domestic demand for this segment is driven by Govt. of India's policy initiative for development and procurement of strategic missiles primarily from domestic market.

The indigenous R&D in the segment is led by DRDO and major milestones have been achieved, paving the way for commercial production of these Seeker based Missile systems. Based on advanced Seeker technologies, some of the major missile programs have completed their development and reached commercial production phase and are going to contribute to the growth of domestic seekers market. BEL is associated with DRDO in various phases of development for technology absorption, engineering and productionisation of various seekers which are at advanced stages for commencement of commercial production. BEL continues to invest for further capacity enhancement to cater to the demand for supply of seekers for upcoming Missile programs.

Arms & Ammunition

Global geo-political environment is leading to disruption in ammunition sector. Conflict around the world is driving the need for stockpile of ammunition. Wars are fought not on the battlefield but at ammunition production facilities. The global ammunition industry continues to play a vital role in the modern battlefield and remains a strategic asset for any country. Increasing geopolitical uncertainties and supply chain disruptions started exposing opportunities for Indian companies to explore the global ammunition market and supply chains.

Arms & Ammunition including Smart Weapons and Precision Guided Munitions are critical for the strategic needs of the country for which self-reliance has to be ensured. Historically, the Services were dependent on imported Arms/Weapons. GoI/MoD through major policy initiatives for Make-in-India such as Indigenisation of Ammunitions, Positive Indigenisation list, Make-II, etc., is offering huge opportunity to domestic defence manufactures including BEL.

The global ammunition market is experiencing substantial growth, both in terms of volume and value and is valued at USD 26 Billion in 2025 and is projected to grow at a CAGR of 4% between 2026 and 2035.

In order to address opportunities and to effectively compete in this segment, a dedicated Strategic Business Unit (SBU) at BEL Bangalore is executing supply order for Development cum Production Partner (DcPP) for realisation of strategic Missiles programs for DRDO.

BEL is also exploring strategic international partnership with OEMs for joint development, co-production and collaborative R&D projects for advanced technologies in the domain of Smart Munition/Weapons /Ammunition. In addition, BEL is engaged with DRDO, Academia and Start-ups. BEL has made substantial investment for creating Hot integration and Storage magazine facilities with all the necessary regulatory licence and approvals.

(b) Industry Structure and Developments

Government declared the year 2025 as the "**Year of Defence Reforms**", the Indian Defence industry is undergoing a major transformation. The structure is shifting from the reliance on imports to a self-reliant (Aatmanirbhar Bharat) ecosystem, focussing on rapid indigenisation, increased private sector participation and record-setting production and exports. The Defence acquisition plan (DAP) 2026, being developed as a revision to DAP 2020, focusses on simplifying procurement, reducing timelines and enhancing self-reliance.

The MoD has fully utilised its earmarked capital outlay of ₹ 1.86 Lakhs Crore towards Defence Services. In FY 2025-26, AoN for 109 proposals amounting to ₹ 6.81 Lakhs Crore has been accorded by MoD, compared to 56 proposals worth ₹ 1.76 Lakhs Crore approved in FY 2024-25. Also Capital procurement contracts for the total 503 proposals amounting to ₹ 2.28 Lakhs Crore were signed by MoD in FY 2025-26.

Defence exports skyrocket to an all-time high figure of ₹ 38,424 Crore in FY 2025-26. A massive rise of ₹ 14,804 Crore or 62.66% was registered over the defence exports figures of FY 2024-25, which were ₹ 23,622 crore. The private sector and DPSUs contributed with ₹ 17,353 Crore and ₹ 21,071 Crore respectively, whereas the corresponding figures for FY 2024-25 were ₹ 15,233 Crore and ₹ 8,389 Crore respectively. DPSUs and other PSUs accounted for 151%, while the private sector contributed 14% growth in exports. Apart from being a successful global partner for systems/sub-systems, India is exporting defence equipment to more than 80 countries as of FY 2025-26. The number of exporters underwent a surge to 145 from 128, a 13.3% rise from the previous fiscal.

Record Defence Budget

Ministry of Defence has been allocated ₹ 7.85 Lakhs Crore in the Union Budget 2026-27, in pursuance of Government's vision of Viksit Bharat @ 2047 with a technologically-advanced and Atmanirbhar Armed Forces.

MoD is in the process of finalising the Defence Acquisition Procedure (DAP) 2026 to align with the Government's policies and initiatives to meet the operational requirements and modernisation of the Armed Forces in a timely manner to ensure national security. The main objective of this DAP revision is to establish India as a global defence manufacturing and maintenance, repair, and overhaul hub; and promote Design & Development in both public and private sectors, with a focus on start-ups, innovators, and the private industry.

During the year, DAC has cleared various capital acquisition proposals to enhance the capabilities of the Armed Forces covering major segment being Loiter Munition System for Artillery Regiments, Low Level Light Weight Radars, Long Range Guided Rocket Ammunition for Pinaka Multiple Launch Rocket System & Counter drone Systems, High Frequency SDRs(Manpack), High Altitude Long Range Remotely Piloted Aircraft System, Automatic Take-off Landing Recording System, Astra Mk-II Missiles, Full Mission Simulator and SPICE-1000 Long Range Guidance Kits, Nag Missile System (Tracked) Mk-II, Ground Based Mobile ELINT System, 30mm Naval Surface Gun, Advanced Light Weight Torpedoes, Electro Optical Infra-Red Search and Track System, Smart Ammunition for 76mm Super Rapid Gun Mount for Indian Navy, Collaborative Long Range Target Saturation/Destruction System and other proposals for Indian Armed forces.

In consideration of the on-going operational concerns, sanction for emergency procurement in the niche technology domains of Drone/ Counter Drone, Weapon Systems, Precision Ammunition, Electronic Warfare Systems and Surveillance Systems etc. was accorded. A total of 29 capability development schemes have already been contracted and another 15+ schemes are likely to be awarded.

Several variants of ammunition worth ₹16,000 Crore have been offered to the Indian Industry for long-term contracts under the 'Manufacturing of Ammunition for Indian Army by Indian Industry, a Government of India Initiative'.

Digitisation and Automation: Towards enhancing operational efficiency through real-time data analysis and autonomous systems, MoD is making headway in AI driven decision-making tools such as 'AI based preventive maintenance of Equipment and demand forecast of spares', AI model in Transport and Road Space Management and AI based supply chain mapping system.

Next Generation Aircraft Program

In a significant push towards enhancing India's indigenous defence capabilities and fostering a robust domestic aerospace industrial ecosystem, Defence Ministry has approved the Advanced Medium Combat Aircraft (AMCA) Program execution model. This is an important step towards harnessing the indigenous expertise, capability and capacity to develop the AMCA prototype, which will be a major milestone towards Aatmanirbharta in the aerospace sector. BEL is participating in this prestigious program in consortium mode.

Implementation of GoI Initiative – Digital India

Armed Forces Secure Access Card is a tri-Services project, with the Indian Navy as the Lead Service. It is aimed at replacing the existing paper-based I-Cards being used by the three Services. The goal of the project is to establish a robust and technology-driven physical security infrastructure at defence establishments. More than 90,000 Service/ DSC personnel and Defence civilians pan-Navy have already been enrolled for AFSAC.

Under the 'Mission Karmayogi' of GoI, online training modules on the i-GOT platform have been implemented for all Central Government employees. As a step further, Naval Headquarters/DCP in coordination with Karmayogi Bharat is in the process of uploading customised domain specific e-learning courses specifically for Naval Civilians.

Tri-service Integration

Inspection and Safety branch of the IAF is spearheading the adoption of common aviation standards for all the three Services. It achieved a significant milestone by publishing the first ever framework for common aviation standards in the form of common Tri-service Order on Categorisation and Instrument Rating Scheme for Aircrew'.

Technology Perspective and Capability Roadmap 2025

TPCR-2025 is released outlining the technological requirements and capability roadmap of the Services covering a period of 15 years. The document facilitates Indian defence industry to plan allocation of resources for R&D, manpower and infrastructure development in key technology areas.

Civil Military Fusion

Operation Sindoor not only showcased how victory was possible through jointness but also illustrated the need for a robust civil-military fusion for strengthening national security, imbibe niche technology and thus effectively face future challenges. A detailed study on civil military fusion has been carried out in conjunction with Think Tanks, Service HQs and concerned MoD departments.

DPSU Bhawan

On November 10, 2025, Raksha Mantri Shri Rajnath Singh inaugurated the Defence Public Sector Undertakings (DPSUs) Bhawan at World Trade Centre, Naoroji Nagar, New Delhi. Developed by the Department of Defence Production, it serves as a common platform for all 16 DPSUs, including BEL, to foster collaboration, innovation and synergy under the motto "Sangacchadhvam Samvadadhvam" (Move together, dialogue together).

(c) SWOT Analysis

Strengths

- Leader in Defence Electronics in India.
- Strong multi-layered in-house R&D, skilled workforce with competent domain knowledge.
- Wide product range with a strong Product support network.
- Trusted and strong relationship with Customers & other key stakeholders.
- Sustainable business growth.
- Healthy Order Book position with robust pipeline.

Weaknesses

- Gaps in critical technology areas.
- Higher dependence on Defence market.
- High lead time to market.
- Regulatory requirements impacting agility.

Opportunities

- Significant rise in Indian defence budget.
- Surge in substantial defence modernisation / upgrade plans.
- Growing defence needs due to global security concerns.
- Strategic partnerships with friendly countries.
- Growing diversification/emerging technology domains.
- Introduction of IDDM category in DAP.
- Positive Indigenisation List & Make-II projects.

Threats

- Increased competition from Indian private and Global companies.
- DRDO's Policy for DcPP and PA.
- Changing Customer procurement philosophy.
- Disruptive technologies.
- Sourcing of few critical and denied technologies.

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

The Company has undertaken the following major initiatives to ensure sustained performance and growth of the Company:

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

BEL is working in many strategic and other areas of national importance such as Weapon systems, Surveillance, tracking and multifunction state-of-the-art radars, naval & airborne applications, Next Generation Electronic Warfare Suites and Counter Measure Systems, Air Defence Systems including Seekers & Missiles, Unmanned Systems for Land, Air, Surface & Underwater Applications, Anti-Submarine Warfare Systems, Software Defined Radios for Tactical Applications, Network Centric Systems, Multi-sensor Stabilization Systems, Arms and Ammunitions, Transportation Solutions for Railways and Metros, Artificial Intelligence & Robotics, Space/Satellite Systems, etc.

Strategic alliances have been forged and other select partnerships are being pursued with Defence laboratories, reputed global OEMs, DPSUs, Academia, Start-ups, niche technology companies and Indian companies / agencies for addressing the emerging Defence and Non-Defence businesses and exports.

Some of the products & systems identified and being pursued for alliances for co-development, co-production and manufacturing ToT and for Lifecycle Support include Surface-to-Air Missile (SAM) Systems, RF / IIR Seekers, Air Defence Radars (Land and Naval based), Navigational Complex System, Sonar Systems, Next Generation Night Vision Devices, Gun Upgrades / New Gun Programmes, Small Arms for Defence, Electronic Fuzes, Navigation Receivers, Ammunitions, Inertial Navigation Systems, High Power Lasers, UAVs, Remotely Operated Vehicles (RoVs), Counter Measure Systems, Electronics Systems

for Futuristic AFV platforms FICV etc., Satcom Terminals, Rail & Metro Solutions, etc.

Significant number or MoUs/Agreements have been signed with Indian and foreign OEMs to boost BEL's strategic growth including diversification initiatives; for joint development/production, collaboration of new business opportunities, emerging technologies etc. Joint Ventures (for existing/emerging business areas).

BEL has been continuously exploring opportunities for establishing joint ventures/special purpose vehicles with reputed companies with complementary technologies/ strength to bridge technology gaps, for business expansion as well as to enter into new and emerging business areas.

The Joint Venture BEL-THALES Systems Limited (BTSL) achieved a milestone turnover of ₹ 146.4 Crore for the Year 2025-26 experiencing a strong growth of 24% from the previous year's ₹ 118 Crore and the highest ever Order book position of ₹ 270 Crore.

The Order book position of Bharat Electronics Limited (BEL) and Israel Aerospace Industries (IAI) formed a joint venture company "BEL IAI AeroSystems Private Limited (BIA)" stands at ₹ 153 Crore, for providing post warranty product life cycle support for MRSAM Weapon Systems in India.

BEL has entered into a Joint Venture Agreement (JVA) with Safran Electronics and Defence (SED), France for manufacturing HAMMER Weapon System in India.

(ii) Restructuring (for concerted focus):

For dedicated focus and to take advantage of business opportunities arising out of National Rail Plan (NRP) 2030 and various other mobility initiatives of GoI, a Micro Strategic Business Unit (SBU) is formed at Ghaziabad Complex.

In order to have a concerted and focussed approach towards the future business of the airborne segment, a Strategic Avionics Systems (SAS) SBU has been created at Bangalore Complex.

Four new Regional Product Support Centres (RPSCs) at Kolkata, Pathankot, Jodhpur and Chabua have been established to enhance the product support to our esteemed customers.

Technology Upgradation and R&D Challenges

Core technologies required for developing state-of-the-art products and solutions are often not readily available. R&D on core technologies requires constant upgrade for realising solutions with a competitive edge. While it is inevitable to use proprietary technologies, getting locked to a single source for technologies/solutions is a major challenge.

The demands for reduced Size, Weight and Power (SWaP) along with quality requirements always push R&D efforts to the edge. At the component level, R&D efforts are steered towards meeting newer requirements of SoCs, MMICs, highly integrated processor ICs, microwave Super Components, etc. At the product level, R&D efforts are towards creating modular, configurable, multi-function and fault-tolerant products. Realising Systems of Systems needs expertise in systems engineering, project management along with system integration expertise. Obsolescence of critical components, continued dependency on foreign OEMs and requirement to support the entire product life cycle are the other critical challenges.

Measures

To overcome the challenge of continuous upgrade of underlying core technologies for all products and solutions across BEL, a 3-tier R&D structure is put in place. The Central Research Laboratories (CRLs), one each located at Bengaluru and at Ghaziabad, are engaged in blue sky research and applied research in core technology areas of Communication, C4I, Big Data, Network Centric Software, Electronic Warfare, Radio Frequency, Microwaves, Power Amplifiers, Antennas, Radar Signal and Data Processing, Image Processing, Electro-Optics and Lasers, Embedded Smart Computing, Sensors, Networking, Navigation, Artificial Intelligence, Cyber & Network Security, Crypto, Switching, Cloud and Data Analytics, Machine Intelligence, Robotics, Unmanned Vehicles, Network Management Systems, Decision Support Systems, Multi Sensor Tracking and Data Fusion, GIS, Simulation, War-gaming, Tactical Algorithms, Cognitive Computing, Sensor-System Integration, Web Technologies, Software Engineering, etc.

A centralised Product Development and Innovation Centre (PDIC) and the 3 Centres of Excellence (CoEs) in the areas of Electronic Warfare & Photonics (EW&P), Military Communication Systems (MCS) and Radar & Weapon Systems (R&WS), located at Bengaluru, focus on engineering of core technology modules into products/ systems. The core areas of PDIC are Automation Solutions, Antennas, Crypto Solutions, Embedded Systems, Energy Systems, Engineering Solutions, RF and Microwaves, MMICs, SoCs, Sonar Systems, Super Components, Navigation and Stabilisation, etc.

The Development and Engineering (D&E) divisions, operating at all the Strategic Business Units (SBUs) and Units, liaison with end customers for understanding their requirements, map them to technical specifications and develop products/solutions incorporating the core technology modules developed through the other tiers, i.e. CRLs and PDIC/CoEs.

The D&E of Software SBU, at Bangalore, addresses all requirements related to software modules either directly to the customers or through respective D&Es of SBUs/ Units. In addition, Software Development Centres (SDCs) have been established at Visakhapatnam and New Delhi. A new Software Development Centre is being established at Indore. The Software SBU is supported ably by the CRL scientists at Bengaluru & Ghaziabad.

In BEL, the challenges are further being addressed through planned R&D initiatives, systems engineering, technology training for R&D manpower, data driven obsolescence management and by leveraging expertise through suitable collaborative R&D partners and Subject Matter Experts (SMEs).

To overcome the challenge of lock-in to proprietary technologies, in feasible areas, the Company develops technology modules / solutions based on alternate technologies and standard protocols with modular designs which can be evaluated using standard test and measuring instruments. Even when Technology Modules / Products / Solutions are Built to Specifications (tailor-made for the Defence forces), they are developed with standard interfaces so that they can be used as plug and play modules in larger systems to ensure modularity and scalability. This safeguards against the single-vendor / proprietary lock-in situations and ensures that the products / systems developed are easily maintainable.

Further, wherever a subsystem or a component is procured, multiple sources for this subsystem/component are identified to safeguard the Company from getting locked in to a single source. The ever-increasing need for low size, weight, & power is being addressed through the development of a series of miniaturised platforms / products / solutions by optimising processing performance, packaging and thermal management based on a standards-driven approach. Obsolescence is being addressed through obsolescence management plans, tools & actions, which help identify/create alternate sources and move towards indigenisation.

R&D Initiatives and Achievements

BEL has been vigorously pursuing IPR related activities year after year. Concerted efforts put in have resulted in the grant of 72 IPRs including 51 patents during FY 2025-26. Some of the key Granted patents are:

- X-Band Up-Down Converter
- Dual Channel Radio Frequency (RF) Transceiver Architecture and Method for Cognitive Radio Communication
- Design Framework for Radar Target Tracking
- Automatic Health Monitoring for Phase Control Module (PCM)
- Temperature Sensitive Laser Based Photo Reflective Sensor and Compensation Method Thereof
- Enhanced Software-Defined Network (SDN) Controller for Ad-Hoc Networks
- A Ku-Band Self-Interference Cancellation Circuit for Simultaneous Transmit and Receive Systems and Method Thereof
- High Gain Cavity Enclosed Slotted Waveguide Antenna
- Improved Graphical User Interface Widgets
- Spherical Apparatus
- A Method for Single Object Tracking in the Presence of Same Profile of Multiple Objects
- Robust Automatic Method for Radar to ESM Association using Remote ESM
- A Switching Driver Circuit for High Power Radio Frequency Switches
- Calibration of Active Phased Array Antenna in a Radar System

As on 31 March 2026, the cumulative IPRs filed by BEL are 1,502 (including 844 filed Patents) and granted/ registered with 917 IPRs (including 344 granted patens).

R&D/D&E scientists/engineers have presented and published 101 papers in reputed Seminars /Journals/ Conferences in the year 2025-26.

BEL has empanelled 37 new Collaborative R&D partners in the year 2025-26. As on 31 March 2026, cumulative Collaborative R&D partners empanelled are 396 (including 211 MSMEs). The partners are categorised under R&D Solution Providers: 42, Design Service Providers: 264, Consultants: 44 and Production Service Providers: 46, of which 12 partners are empanelled under two categories.

BEL supported and participated in many Conferences during the year 2025-26, including:

a. Advanced Design & Manufacturing of Aerospace Systems for Bharat by AeSI HMA-HAL Bangalore

b. Emerging Microelectronics & Interconnect Technologies 2026, jointly by BEL & IMAPS at BAE

c. Society for Microwaves, Antennas, and Radar Technologies (SMART) by LRDE, DRDO at Bangalore

d. MAPCON 2025 by IEEE MTT-S: IEEE Microwave Conference at Grand Hyatt Bolgatty, Kochi, Kerala

e. SACAD 2025 by IISE at IIT Hyderabad

f. Super Computing India (SCI 2025) by C-DAC at Manipal Institute of Technology, Bangalore

g. NavIC - the Game Changer 2025, jointly at IIT Tirupati

h. INDOCRYPT 2025 by SETS at IIIT Bhubaneswar, Odisha

i. DRDO-Industry-Academia Conclave DIAC-2026 at New Delhi

j. Emerging Trends in Vacuum Electronic Devices (VEDA-2025) by MTRDC, DRDO & BEL at BAE, BEL

k. Shaastra 2026 by & at IIT Madras

l. Surya Drona Tech 2025 by Central Command & SIDM at Dehradun

m. Computer Vision, Graphic and Image Processing (ICVGIP 2025) by ISSE at IIT Hyderabad

n. IEEE-ANTS by IEEE AP-S at IIIT, Delhi

o. Kshitij 2026 by & at IIT Kharagpur

p. India Mobile Congress 25 by DoT at New Delhi

q. OJASS-2026 by & at NIT Jamshedpur

r. AI in Defence & Aerospace 2026, jointly by BEL & Globals at BAE

Some of the new initiatives undertaken by BEL in technology/R&D areas are:

a. AI Policy – 2026: For Defence & Civil Applications

b. Revised R&D Awards Scheme

c. Marketing – R&D Summit

d. Conferences with DRDO & Industry: VEDA-2026, Silicon Sovereignty – EMIT 2026 & AI Summit

e. Indigenisation Cell at PDIC

f. iDEX-DIO framework

g. DRISHTI Challenges: DPSU Corporate Innovation

h. Established Incubation Centres AARIC (Army) & INICAI (Navy)

i. Formation of Centres of Excellence in AI

(e) Diversification / Expansion Plans:

As a diversification strategy, the Company has been exploring opportunities in allied defence and non-defence areas for growth, leveraging its strengths & capabilities acquired in the defence electronics domain and capitalising on the conducive policy environment encouraging indigenous solutions. During the past 5 years the non-defence segment on an average has contributed about 10-15% to the company's turnover. This year, the company has achieved about 93% of turnover from non-defence segment. The company aims to achieve growth and sustain the revenues from the non-defence business in the coming years to about 20% of company's turnover.

The Company has been putting continuous efforts and focus to enter and address several new areas in both defence & non-defence for further expanding its business in new markets for sustainable growth. Some of the areas being focused upon in defence include: Next Generation Indigenous Missile Systems, RF Seekers, Imaging Infra-Red (IIR) Seekers, Arms & Ammunition including Precision Guided Munitions, Smart Weapons, Missile Electronics, Unmanned Systems, Airborne Radars, Navigation Receivers, Next Gen Image Intensifiers and Thermal Imaging Solutions for Night Vision Devices, Indian Regional Navigation Satellite System (IRNSS) based solutions, Directed Energy Weapons, Countermeasure Systems for Air Platforms, Avionics & EW Suite for next generation Aircraft/Helicopters, Software as a Service, Network & Cyber Security, etc.

Some of the areas being focused in the non-defence include: Solutions for Civil Aviation sector, including Air Traffic Flow Management Solutions, Advance Ground Control Surface Movement Radar, Air Surveillance Radar, Monopulse Secondary Surveillance Radar, Voice Communication Control System, Space/Satellite Electronics, Satellite Communication Services, Railway and Metro Solutions, Software as a Service, Cyber Security Solutions, Homeland Security Businesses, etc.

BEL has successfully diversified into Electronic Ammunition Fuzes, Missile Seekers, Homeland Security, Network & Cyber Security, Rail & Metro Solutions, Energy Storage Products, Medical Electronics, Digital Transformation Solutions, Satellite Assembly & Integration, etc.

BEL is also having bigger and more business opportunities on account of GoI's initiatives such as Aatmanirbhar Bharat, Positive Indigenisation Lists, Make-II projects, Preference to Make in India, Export Promotion Schemes etc.

BEL also continuously strives to expand its business by capturing new customers in the existing geographical markets as well as new geographies for its proven products, systems & solutions. BEL has ventured into new business models like Government-owned Company Operated (GOCO), OPEX Model, etc. (e.g. Class Room Jammers, Software as a service, etc.) to expand its business by capturing new customer segments. BEL is striving to exploit its dual-use technologies (e.g. SDR, Satcom solutions, Cyber security solutions, Software solutions, etc.) for expanding the market as well as customisation of its products/solutions to meet the new customer segments/geographical areas, especially in the export markets.

BEL is leveraging on its new International Marketing offices to expand the reach of its products & services to the new markets and also explore offset opportunities. BEL is also forging partnerships with other PSUs/industry players for quickly expanding the geo spatial reach through resource sharing.

Considering the present order book and expected growth of BEL due to continuous demand of defence equipment across the globe and growth of non-defence electronics applications complimented by significant opportunities, a dedicated Supply Chain Management (SCM) vertical setup at corporate level has started its function effectively aimed at streamlining policies and procedures for strengthening BEL's supply chain network, bring in best practices and contribute to improved operational effectiveness and overall project management for timely execution.

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

1. Risk Management:

Your company has an established Enterprise Risk Management (ERM) deployed across the company, covering all business units and functional areas. ERM is also deployed in the newly formed strategic business units. The deployment of ERM is based on the Risk Management (RM) Policy of the Company, approved by the Board, and the recommendation of the Risk Management Committee (RMC) of the Board.

The Risk Management Policy is reviewed and revised periodically, taking into account the changes in the external business environment and internal business organisation structure. Risks related to the new business and diversification areas are also identified, and appropriate mitigation measures are being deployed.

The Risk Management Policy outlines the risk management structure, scope and objectives, areas of risks, roles and responsibilities of risk management committees at various levels, roles and functions of risk champions and other concerned personnel in the company in respect of ERM implementation.

The Risk Management framework of the Company has a three-tier structure, with the Board of Directors through RMC at the Apex level; Corporate Risk Management Committee (CRMC) at the Corporate level and Unit Risk Management Committees' (URMCs) at the Strategic Business Units (SBUs)/Units/R&D centres, etc.

A comprehensive framework for risk identification, evaluation, prioritisation and mitigation of various risks associated with different areas such as technology, market, product, cyber security, Environmental Social and Governance (ESG), operations, finance, human resources, etc. are also defined in the policy.

Based on the analysis of the risks reported by the URMCs, risks which have potential impact across the company and necessitate the expert advice and direction of the RMC are identified by the CRMC in various areas like technology, marketing, operations, finance, cyber security, HR, ESG, etc. Based on the review by the RMC and its recommendations these risks are addressed by introducing suitable mitigation measures including policy and/or business process improvements, as required.

The implementation of mitigation measures is further reviewed by the RMC for compliance and the implementation status is reported to the Board.

Risks which may have significant impact on the operations of the company or wherever deemed necessary, are reported to RMC. The RMC reviews the risks and recommends to the Board for further deliberations and approval of mitigation measures. The RMC also gives necessary directions, from time to time for effective ERM implementation in the company.

2. Cost Reduction:

In the competitive business environment with the Government focus on Atma-Nirbhar Bharat (Self Reliance), Cost Competitiveness has become a key differentiator in the market. BEL has adopted cost reduction as one of the thrust areas in its business processes. "Cost Reduction" Task Forces are set up in all the Units/SBUs with members from Cross Functional Areas (Design, sourcing, quality, manufacturing, etc). The Task Forces identify and take up projects and set targets for achieving cost reduction with focus on both manufacturing & non-manufacturing areas and encompass all facets of business. Guidelines for Cost Reduction are modified from time to time to cater to the business requirements across the company.

3. Indigenisation:

Developing indigenous technologies and leveraging strategic partnerships has become essential amidst the rapidly evolving technological landscape. BEL ensures its position as a market leader by embracing innovation across the entire value chain. The cornerstone of BEL's innovation and technological advancement is its robust R&D competencies and decades of accumulated knowledge across a wide spectrum. This enables breakthrough innovations, positioning BEL as a frontrunner in defence indigenisation, and also contributes towards exports. BEL's dedicated team of skilled professionals ensure we meet global customer requirements, maintain a competitive edge and contribute to sustainable success.

BEL continued its thrust on Indigenisation and Make in India in a significant way throughout the year. A Separate Indigenisation Cell has been formed under the chairmanship of Director (R&D). The Indigenisation cell drives the indigenisation efforts across the company in line with the GoI's Atmanirbhar Bharat mission.

Towards strengthening Indian vendor base including MSMEs, BEL organised MSME conclaves and participated in Vendor development programmes across the country at various events organised by Industry associations and Ministry bodies. During the year 2025-26, around 20 Vendor development programmes have been conducted by BEL. Opportunities for indigenisation of various types of items and methods of participating in the indigenisation programmes, support extended by BEL in this regard are highlighted during the conclaves.

Some of the major Indigenisation achievements during the year include Indigenisation of Vertical Launching Unit (VLU) for LRSAM, MSEOP for NAMICA, Network Accelerator for QRSAM, SCA Compliant waveforms for Radios, High gain flat panel arrays for MFCR, Airborne Electro Optical Surveillance System (AESS), Curved Combiner HUD, IR Jammer, 2.4m Ku Band Antenna with De-icing, WDTE CC, DMR secure Handheld and IMM Radio etc.

(B) Internal Control System and its Adequacy:

BEL has a robust system of internal controls in place. It has documented policies and procedures on Purchase, Sub-contract, Works contract, Accounting, HR, IT and Security, Sub-delegation of Powers, etc. covering all financial and operating functions, and revised in tune with the changing times. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, compliance with regulations, etc. BEL has implemented File Life Cycle Management System (FLM) for online processing and approvals of procurement and other proposals, which facilitates complete transparency, accountability, protection and security of the information/ files. Elaborate guidelines for preparation of accounts are followed consistently for compliance with Indian Accounting Standards (Ind AS) and the Companies Act, 2013.

BEL has implemented company-wide ERP system (SAP) with centralised deployment. Governance Risks and Compliance (GRC) Access Control module has been implemented as the primary means of addressing user access risks by embedding preventive rule based checks while assigning authorisations to business transactions.

Authorisations to users are given based on principles of Segregation of Duties and Least Privilege. Risk rules have been configured in the system in several business processes like Finance, Procure to Pay, Order to Cash, Material Management, HR and Payrolls. Risk analysis is regularly done to ensure that processes are under control. Additional control in the form of biometric fingerprint authentication for critical transactions is also in place. Audit logs for all changes in roles and authorisations are maintained.

BEL has its own Internal Audit Department commensurate with the size and nature of its operations, with teams of professionally qualified personnel who conduct regular and comprehensive internal audits to ensure that all checks and internal control systems are in place. Services of external professional audit firms are being utilised to carry out 100% vouching of vendor payments (including travel/medical claims reimbursements) in nine Units, BEL Corporate Office, CRL Bangalore Complex, CRL Ghaziabad and PDIC during 2025-26. The Company has sub-committee of the Board viz. Audit Committee (AC) to keep a close watch on compliance with Internal Control Systems. Also, being a Government Company, BEL is subject to Audit by Comptroller & Auditor General of India (C&AG).

The BEL Internal Audit Manual outlines the internal audit process in line with the changes that are taking place in the business world with respect to the business process, statutory compliances and the expectations of the stakeholders. It addresses the areas relevant to the auditor's information and knowledge for conducting the audit in a meaningful way. Internal Audit Manual serves as a professional guide for the conduct of audit and to improve the professional approach for an effective internal audit function.

BEL's Internal Audit checks the adequacy and effectiveness of the internal control system through regular audits, system reviews, process reviews, data analytics, etc. and provides assurance on compliance with the legal and regulatory requirements, internal policies and procedures of the Company. The state-of-the-art Data Analytical Tool is also being used in Internal Audit for data analytics for identification of outliers.

Internal Audit issues reports to the Auditees and after considering the Auditees' replies / action taken reports, IA Centres submit reports of significant issues observed during audit to the Head of Internal Audit on a periodical basis. Head of Internal Audit submits his/ her reports to the Company's Management at various levels for corrective actions and submits report to the Audit Committee of Board indicating the status of compliance with well-established internal control systems of the Company and a plan for mitigating the key risks associated with major activities of the Company.

BEL's Internal Audit teams are located at major manufacturing units and Corporate Office of the Company which carry out audits as per risk-based Annual Audit Programme approved by the Audit Committee of the Board. The Audit Committee of the Board of Directors, comprising Independent Directors, regularly reviews the significant audit findings, adequacy of internal controls, and compliance with accounting standards and policies from time to time and issues directives for compliance to further strengthen the internal control system keeping in view the dynamic environment in which the Company is operating.

The Company continues its efforts to align all its processes and controls with global best practices, to assure the highest level of Corporate Governance.

(C) Financial/Operational Performance:

(1) Strategy & Objectives:

The main objectives of the financing strategy of your Company are to generate adequate internal resources for profitable growth, to give value for money and create wealth for shareholders, to maintain the highest credit rating and to build in risk mitigation strategies in the business processes to minimise exposure to financial risks.

(2) Performance Highlights:

(₹ in Lakh)

Particulars	31 March 2026	31 March 2025
Revenue from Operations	27,47,963	23,65,801
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	8,01,530	6,76,759
EBITDA Margin (EBITDA/Revenue from operations [Net])	29.17%	28.61%
Profit After Tax	6,04,848	5,28,825
No. of Days Inventory/Value of Production	135	139
No. of Days Trade Receivables/ Turnover	176	144
Current Ratio	1.97	1.76
Debt Equity Ratio	-	-

(3) Analysis of Financial Performance of FY 2025-26:

- Turnover registered a growth of 15.88% from ₹ 23,02,410 Lakhs in 2024-25 to ₹ 26,67,958 Lakhs in 2025-26.
- Value of Production has increased from ₹ 23,83,493 Lakhs in 2024-25 to ₹ 27,25,432 Lakhs in 2025-26, an increase of 14.35%
- 14.38% increase in Profit After Tax, from ₹ 5,28,825 Lakhs in 2024-25 to ₹ 6,04,848 Lakhs in 2025-26.
- Decrease of PAT to Turnover Ratio from 22.97% in 2024-25 to 22.67% in 2025-26.
- Turnover per Employee has increased from ₹ 260.34 Lakhs in 2024-25 to ₹ 283.22 Lakhs in 2025-26.
- Earnings Per Share has increased from ₹ 7.23 in 2024-25 to ₹ 8.27 in 2025-26.
- Book Value Per Share has increased from ₹ 26.95 in 2024-25 to ₹ 32.42 in 2025-26.
- Net Worth has increased from ₹ 19,69,768 Lakhs in 2024-25 to ₹ 23,69,756 Lakhs in 2025-26.
- Return on Net Worth has decreased from 26.85% in 2024-25 to 25.52% in 2025-26. The main reason for decrease is due to increase in other expenses and decrease in other income.

(D) Corporate Social Responsibility:

Bharat Electronics Limited remains committed to its Corporate Social Responsibility and undertakes the CSR activities that benefit the rural and marginalised sections of the society. The key CSR interventions are in the sectors of Health care, Education, Skill Development, Rural Development & Environment Sustainability. The total prescribed CSR expenditure for FY 2025-26 is ₹ 10,778.79 Lakhs. During FY 2025-26, Health care related projects were taken up with a budget of ₹ 6,665.88 Lakhs augmenting the health care infrastructure in rural and remote areas with state-of-the-art medical equipment. Other sectors addressed during FY 2025-26 are Education, Skill Development, Environment Sustainability and Rural Development.

BEL's CSR interventions reflect its commitment to uplift the underprivileged part of the society, contributing to its overall development thus creating a value for its stakeholders.

(E) Development in Human Resources:

Strategic Impact & Outreach for FY 2025-26

At BEL, continuous learning is positioned as a strategic lever to build a future-ready workforce. Leveraging internal expertise, industry professionals, and premier academic partnerships, HRD initiatives are aligned to three core priorities: leadership capability building, technological advancement, and quality excellence.

During FY 2025–26, BEL recorded 80,611 training mandays (up from 76,941), with an investment of ₹ 9.83 Crore and a per capita average of 8.55 mandays. Over 180 programmes were delivered across Leadership, Technology, and Quality domains, reinforcing a strong culture of continuous capability development.

Institutional capacity building is anchored through:

i. BEL Academy for Excellence (BAE) – for Executives

ii. Abhyudaya Centre for Learning (ACL) – for Non-Executives

An Annual Capacity Building Plan (ACBP) ensures structured and need-based learning interventions across levels.

A. BEL Academy for Excellence (BAE) & Corporate HRD

(i) Leadership & Management Development

Leadership programmes focussed on building strategic, agile, and future-ready leaders across levels:

- MDPs & Leadership Workshops: Covering strategic thinking, business acumen, financial management, and executive presence.
- Competency Enhancement Programs: Emphasising emotional intelligence, change management, risk management, and conflict resolution.
- Functional Excellence: Specialised programs in Supply Chain, Finance, HR, Marketing, and cross-functional capabilities.
- Women Leadership Initiatives: Strengthening women leadership pipeline through focussed programmes on executive presence and decision-making.
- Executive Coaching: Initiative for General Managers to enhance leadership effectiveness and personal impact.
- Innovation Programs: Promoting design thinking, lateral thinking, and innovation leadership.
- Well-being Initiatives: Covering stress management, mindfulness, and retirement planning.
- Structured Induction: Ensuring alignment of new recruits (Probationary Engineers /Probationary Officers) with organisational values, work ethics, business processes, standards and overall culture.

(ii) Technology Enhancement

Focussed on strengthening core and emerging technology capabilities:

- Short-Term Technical Programs: Covering key technology areas such as Radars, RF systems, Communication, Electronic Warfare, and Advanced Simulation Tools.
- Workshops & Seminars: On AI/ML, IoT, FPGA Technologies, and Advanced Engineering processes.
- M.Tech. Programs: In collaboration with premier institutes (IIT-Madras, DIAT-Pune) to build deep-domain expertise.
- AI/ML Certification: One-year certification program in collaboration with IISc to drive digital transformation.
- Global Certifications: Certifications such as CCNA, CISSP to strengthen information security and risk management.

(iii) Quality & Operational Excellence

Strengthening quality systems and process excellence:

- Global Certifications: CQE, CRE, PMP and other international credentials.
- Lean Six Sigma & DFSS: Driving data-based problem solving and process improvement.
- Standards & Audit Readiness: Training on ISO and aerospace standards.
- Industry 5.0 Readiness: Focus on TPM, operations excellence, and innovation in manufacturing.
- Data Analytics: Building analytical capabilities for decision-making and process control.

B. Abhyudaya Centre for Learning (ACL)

- Technical & Functional Capability Building: Programmes covered core electronics, mechanical systems, manufacturing techniques, and digital tools (SAP, MS Office), along with cross-functional awareness.
- Behavioural Development: Focussed on team effectiveness, communication, emotional intelligence, and transition to supervisory roles.
- Quality Improvement: Training on quality tools, lean methodologies, and productivity enhancement to drive operational excellence.
- Certifications & Standards: IPC certifications and training on global standards to ensure high-reliability manufacturing.
- Compliance, Safety & Ethics: Mandatory programmes on POSH, cyber security, vigilance, safety, and workplace ethics to reinforce governance.
- Holistic Development: Wellness initiatives, stress management, and financial planning programmes, including pre-retirement support.
- Induction Programmes: Structured on-boarding of Non-Executives for cultural integration and organisational alignment.

C. Major Highlights of the Year in Learning & Development

- Entered into an MoU with IIM Kozhikode to launch Professional Post-Graduate Diploma programmes in Supply Chain Management, Marketing Management, and General Management.
- Nominated six executives to the one-year Executive PG Diploma in Management (EPGDPM) by IIM Visakhapatnam (hybrid mode) to strengthen strategic, operational, and leadership capabilities.
- Nominated General Managers to the DAKSH Leadership Development Program (Capacity Building Commission & SCOPE) to build a robust pipeline for Board-level leadership roles.
- Introduced Holistic Assessment Centre with psychometric evaluation for senior executives (E-VI to E-VII), enhancing the rigor and effectiveness of potential assessment.
- Rolled out micro-learning modules on compliance aligned with the BRSR framework and NGRBC guidelines, with mandatory completion and assessment for all employees.
- Sponsored 500 executives for the Harvard Manage Mentor (HMM) program (SCOPE & Harvard Business School Publishing), comprising 42 modules across Leading Self, Leading Teams, and Leading Business.

- Expanded cross-learning initiatives through programs on "Use of Artificial Intelligence" and "Industry 4.0" for officers from DPSUs and representatives from DGAQA.
- BEL Academy for Excellence (BAE) became the first PSU to get accreditation under the Capacity Building Commission's National Standards for Civil Services Training Institutions (NSCSTI) framework with a rating of "Very Good" (3-Star).
- Organised the maiden Project Management Conference in FY 2025-26 to promote and recognise excellence in project management practices.
- Launched the revised Functional Competency Dictionary, aligned to evolving business needs and technological advancements, to strengthen capability development across functional areas

For and on behalf of the Board

Manoj Jain
Chairman & Managing Director

Bengaluru
1 August 2026

Annexure-5

Corporate Governance Report

Philosophy and Code of Governance

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

The Company strives to transcend much beyond the basic requirements of Corporate Governance, focussing consistently towards value addition for all its stakeholders.

Board of Directors

Composition

Pursuant to the Companies Act, 2013, Bharat Electronics Limited is a 'Government Company' as 51.14% of the total paid-up share capital of the Company is held by the President of India as on 31 March 2026.

In line with the provisions of Regulations 17 of SEBI (LODR) Regulations, 2015, (hereinafter called 'the Listing Regulations') and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Dept. of Public Enterprises, Govt. of India (DPE Guidelines), the composition of the Board of Directors of the Company has an appropriate mix of Executive Directors represented by Functional Directors, including the CMD and the Non-Executive Directors represented by Government Nominee Directors & Independent Directors, to maintain the independence of the Board and to separate the Board functions of management and control. As the Chairman is an Executive Director, Independent Directors comprise half of the strength of the Board.

As on 31 March 2026, the BEL Board of Directors comprises seven Whole-time Executive (Functional) Directors including the CMD, two Part-time Government Nominee (Non-Executive) Directors and three Independent Directors.

The composition of Board is not in terms of Regulation 17(1) of SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act, 2013, due to non-appointment of requisite number of Independent Directors including one Independent Woman Director on the Board of BEL by Ministry of Defence, Government of India.

There are six vacancies of Independent Directors, including one Independent Woman Director as on 31 March 2026. All the vacancies were notified in time to Government for filling up and the matter is under consideration of the Ministry of Defence, Government of India.

Meetings and Attendance of Board Meetings

During FY 2025-26, eight Board meetings were held and the maximum interval between any two meetings was not more than 120 days. The Board Meetings were held on 19 May 2025, 28 July 2025, 28 August 2025, 31 October 2025, 03 December 2025, 28 January 2026, 15 February 2026 and 27 February 2026. The requisite quorum was present for all the meetings. Details of attendance of the Directors at the Board Meetings, Annual General Meeting and the number of other Directorships/Committee memberships held by them as on 31 March 2026 are given below:

Sl. No.	Name of Directors	Meetings held during respective tenure of Directors	No. of Meetings attended	Attendance at the last AGM held on 28 August 2025	No. of Directorship(s) held *	No. of Committee Membership across all Companies#		Directorship in other Listed Entity (Category of Directorship)
						As Member	As Chairman	
	Whole-Time Functional (Executive) Directors							
1	Mr Manoj Jain	08	08	Yes	02	Nil	Nil	Nil
2	Mr Bhanu Prakash Srivastava (Ceased to be Director w.e.f 01.06.2025)	01	01	NA	03	03	Nil	Nil
3	Mr Damodar Bhattad S	08	08	Yes	03	03	02	Nil
4	Mr Vikraman N	08	08	Yes	01	02	Nil	Nil

Sl. No.	Name of Directors	Meetings held during respective tenure of Directors	No. of Meetings attended	Attendance at the last AGM held on 28 August 2025	No. of Directorship(s) held *	No. of Committee Membership across all Companies#		Directorship in other Listed Entity (Category of Directorship)
						As Member	As Chairman	
5	Mr K V Suresh Kumar	08	08	Yes	02	01	Nil	Nil
6	Mr Rajnish Sharma	08	06	Yes	01	Nil	Nil	Nil
7	Mr Hari Kumar R (Appointed as Director w.e.f 02.05.2025)	08	08	Yes	02	01	Nil	Nil
8	Mr Kamesh Kasana (Appointed as Director w.e.f 14.07.2025)	07	07	Yes	02	02	Nil	Nil
	Part-time Government (Non-Executive) Director							
9	Mr Rajeev Prakash (Ceased to be Director w.e.f 16.07.2025)	01	Nil	NA	03	Nil	Nil	1. Mazagon Dock Shipbuilders Ltd. - Nominee Director 2. GRSE Ltd. - Nominee Director
10	Ms. Meera Mohanty (Appointed as Director w.e.f 16.07.2025)	07	05	No	03	Nil	Nil	1. BEML Limited – Nominee Director 2. Bharat Dynamics Limited – Nominee Director
11	Dr Binoy Kumar Das	08	04	No	01	Nil	Nil	Nil
	Part-time Independent (Non-Executive) Directors							
12	Lt. General Vishwambhar Singh (Retd.) (Appointed as Director w.e.f 23.04.2025)	08	08	Yes	01	01	01	Nil
13	Mr Pradeep Tripathi (Appointed as Director w.e.f 16.05.2025)	08	08	Yes	01	02	01	Nil
14	Mr. Bharatsinh P Parmar (Appointed as Director w.e.f 21.05.2025)	07	07	Yes	01	01	Nil	Nil

*Directorship in Companies registered under the Companies Act, 2013, excluding Directorships in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
#Pursuant to Regulation 26 of the Listing Regulations, the Chairmanship/Membership of Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies are considered.

None of the Directors had any relationship inter-se during FY 2025-26. None of the Non-Executive Directors held any equity shares or convertible instruments of the Company.

The number of Directorship and Committee positions given above are as notified by the Directors and it is confirmed that none of the Directors of the Company has been a member of more than ten Committees or acted as Chairman of more than five Committees across all Companies in which he/she is a Director. None of the Directors of the Company holds directorships in more than ten public companies and none of the Directors of the Company serves as Director or as an Independent Director in more than seven listed Companies. None of the Whole-Time Directors/Managing Director of the Company serves as an Independent Director in more than three listed Companies.

The Company has proper systems to enable the Board to periodically review the Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances. The Board reviewed Compliance Reports on a half-yearly periodicity.

Based on the declarations received from the Independent Directors, the Board of Directors confirms that the Independent Directors fulfils the criteria of independence specified in the Listing Regulations and that they are Independent of the Management. None of the Independent Directors of the Company resigned before the expiry of his/her tenure.

Familiarisation Programme for Independent Directors

At the time of induction of an Independent Director(s), a welcome letter is addressed to Director(s) along with details of duties and responsibilities required to be performed as a Director in addition to the compliances required from them under the Companies Act, 2013, the Listing Regulations and other applicable Regulations. The Management of the Company familiarises the newly appointed Director(s) about the Company, its operations, various policies and processes of the Company, various divisions of the Company and their roles and responsibilities, the governance and internal control processes and other relevant important information concerning the Company. Directors are also regularly encouraged and sponsored for attending important training programmes relating to Board related practices and orientation programmes, etc. conducted by various institutes of repute. Details of training imparted to Directors are disclosed on the website of the Company at the web-link: https://bel-india.in/wp-content/uploads/2024/04/Info_Directors-Training_31012024_merged.pdf

Skills/Expertise/Competencies of the Board of Directors

As BEL is a Government Company, all Directors on its Board viz., Functional Directors, Government Nominee Directors and Independent Directors are appointed by the President of India, through the Administrative Ministry. The skills/expertise/ competencies as required in the context of business(es) & sector(s) pertaining to the Company are identified by the Government of India and accordingly, the selection of Directors on the Board of the Company is made by the Government as per a well laid out process for each category of Directors.

The desirable qualification and experience of the incumbents are as per the requirement of functional areas i.e. Finance, Operations, Technical, Human Resource and Marketing. At the time of recruitment of the Functional Directors, job description, desirable qualifications & experience of candidates are sent to the Public Enterprise Selection Board through the Administrative Ministry for announcement of vacancy and recruitment of candidates.

Certificate from Company Secretary in Practice

M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority as on 31 March 2026. The certificate is attached with this Report.

Mandatory Committees of the Board of Directors

Audit Committee

During FY 2025-26, the Composition of Audit Committee is in line with Section 177 of the Companies Act, 2013, Regulation 18 of SEBI (LODR) Regulations, 2015 and DPE Guidelines. However, the Composition of the Audit Committee was not in line with Section 177 of the Companies Act, 2013, Regulation 18 of SEBI (LODR) Regulations, 2015 and DPE Guidelines w.e.f. 01 April 2025 to 15 May 2025 due to vacancies in the position of Independent Directors. As on 31 March 2026, the Company's Audit Committee consists of three (3) Independent Directors. In addition, the Company's Statutory Auditors, Director (Bangalore Complex), Director (Finance), Director (Other Units) and Head of Internal Audit are also regularly invited to attend the Audit Committee meetings. The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee attended the 71st Annual General Meeting of the Company held on 28 August 2025. The terms of reference of the Audit Committee are as specified in Section 177 of the Companies Act, 2013, Regulation 18 read with Schedule II Part-C of Listing Regulations and DPE Guidelines (except to the extent of exemptions provided to Govt. Companies). The Audit Committee met eight (8) times during FY 2025-26 and the maximum interval between any two meetings was not more than 120 days. The requisite quorum was present for all the meetings.

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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the

Board for approval, with particular reference as stated in Schedule II Part C (A) (4) of the Listing Regulations;

- Review and monitor the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, the performance of statutory and internal auditors, the adequacy of internal control;
- Review the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Review of the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;
- Look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the Whistle Blower Mechanism;
- Review the Code of Conduct for Prevention of Insider Trading;
- Review the Management Discussion and Analysis of financial condition and results of operations;
- Review the statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
- Review management letters/letters of internal control weaknesses issued by the statutory auditors;
- Approval of appointment of a Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/ investments;
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Review the internal audit reports relating to internal control weaknesses;
- Review the follow-up action on the audit observation of the C&AG audit;
- Carry out any other function as may be referred to the Committee by the Board.

The Composition of the Audit Committee during FY 2025-26 and details of the Members' participation at the meetings are as under:

Name	Category	Position Held as on 31 March 2026	Attendance at the Audit Committee Meetings held on:							
			19 May 2025	13 June 2025	26 July 2025	30 October 2025	13 November 2025	28 January 2026	27 February 2026	13 March 2026
Lt. General Vishwambhar Singh (Retd.) (Appointed as Member & Chairman w.e.f 16.05.2025)	Independent Director	Chairman	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Binoy Kumar Das (Ceased to be Member w.e.f 21.05.2025)	Independent Director	-	✓	NA	NA	NA	NA	NA	NA	NA
Mr. Rajeev Prakash (Ceased to be Member w.e.f 16.05.2025)	Independent Director	-	LA	NA	NA	NA	NA	NA	NA	NA
Mr Pradeep Tripathi (Appointed as Member w.e.f 16.05.2025)	Independent Director	Member	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Bharatsinh P Parmar (Appointed as Member w.e.f 21.05.2025)	Independent Director	Member	NA	✓	✓	✓	✓	✓	✓	✓

Independent Director | Government Nominee Director | Chairman | Member | ✓ Attended | NA Not Applicable | LA Leave of Absence

Nomination and Remuneration Committee

During FY 2025-26, the Composition of Nomination and Remuneration Committee was in line with Section 178(1) of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and DPE Guidelines. However, the Composition of Nomination and Remuneration Committee was not in line with Section 178(1) of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015 and DPE Guidelines w.e.f. 01 April 2025 to 20 May 2025 due to vacancies in the position of Independent Directors. As on 31 March 2026 the Company's Nomination and Remuneration Committee consists of three (3) Independent Directors and Chairman & Managing Director. The Chairman of the Nomination and Remuneration Committee is an Independent Director. The Chairman of the Nomination and Remuneration Committee attended the 71st Annual General Meeting of the Company held on 28 August 2025. The terms of reference of the Nomination and Remuneration Committee are as specified in Section 178 of the Companies Act, 2013, Regulation 19 read with Schedule II Part-D of Listing Regulations (except to the extent of exemptions provided to Govt. Companies). The Nomination and Remuneration Committee met four (4) times during FY 2025-26. The requisite quorum was present for all the meetings. Some of the important functions performed by the Nomination and Remuneration Committee include:

- 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 from time to time;
- Approval of Performance Related Pay to the employees of the Company;
- Selection of Executive Directors (EDs)/General Managers (GMs) below the Board level.

The Composition of the Committee during FY 2025-26 and details of the Members participation at the meetings of the said Committee are as under:

Name	Category	Position Held as on 31 March 2026	Attendance at the Nomination and Remuneration Committee Meetings held			
			18 July 2025	21 & 23 August 2025	30 October 2025	27 January 2026
Lt. General Vishwambhar Singh (Retd.) (Appointed as Member & Chairman w.e.f 21.05.2025)	Independent Director	Chairman	✓	✓	✓	✓
Mr Pradeep Tripathi (Appointed as Member w.e.f 21.05.2025)	Independent Director	Member	✓	✓	✓	✓
Mr. Bharatsinh P Parmar (Appointed as Member w.e.f 21.05.2025)	Independent Director	Member	✓	✓	✓	✓
Mr Manoj Jain	Government Nominee Director	Member	✓	✓	✓	✓
Dr. Binoy Kumar Das (Ceased to be Member w.e.f 21.05.2025)	Independent Director	-	NA	NA	NA	NA
Mr. Rajeev Prakash (Ceased to be Member w.e.f 21.05.2025)	Independent Director	-	NA	NA	NA	NA

Independent Director | Government Nominee Director | Executive Director | Chairman | Member | ✓ Attended | NA Not Applicable | LA Leave of Absence

Remuneration Policy and Performance Evaluation of Directors

BEL, being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors (Functional Directors including CMD) are determined by Govt. of India through Public Enterprises Selection Board (PESB)/ Search Committee, indicating the terms and conditions of the appointment, including the period of appointment, the scale of pay with components such as basic pay, dearness allowance, entitlement to accommodation, etc. subject to the relevant rules of the Company. Pay scales of Functional Directors, including Chairman & Managing Director, are governed by Presidential Directives received from the Ministry of Defence.

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

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

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

The Independent Director(s) reviewed the performance of the Chairman & Managing Director, Functional Whole-Time Directors, Non-Independent Directors and the Board as a whole in a separate meeting of Independent Director(s) held on 12 September 2025. An exercise was carried out to evaluate the performance of the Individual Directors, including the CMD on the basis of certain important parameters like level of engagement and contribution, exercising independence of judgement, achievement of objectives and targets, protection of interest of various stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

Remuneration paid to Directors during FY 2025-26 is as under:

(Amount in ₹)

Name of Director	Designation As on 31.03.2026	Salaries & Allowances	Performance Linked Incentive	Other Benefits and Perquisites	Total
Mr Manoj Jain	Chairman and Managing Director	59,80,986	27,16,834	17,11,509	**1,04,09,329**
Mr Bhanu Prakash Srivastava (Ceased to be Director w.e.f 01.06.2025)	-	7,53,094	24,19,789	10,87,775	**42,60,658**
Mr Damodar Bhattad S	Director (Finance) & CFO	42,95,124	22,50,086	20,86,886	**86,32,096**
Mr Vikraman N	Director (HR)	51,96,066	23,59,560	25,08,761	**1,00,64,387**
Mr K V Suresh Kumar	Director (Marketing)	42,75,238	22,39,685	21,72,955	**86,87,878**
Mr Rajnish Sharma	Director (Bangalore Complex)	39,87,851	20,81,604	20,53,839	**81,23,294**
Mr Hari Kumar R (Appointed as Director w.e.f. 02.05.2025)	Director (R&D)	33,94,199	17,17,871	12,09,979	**63,22,049**
Mr. Kamesh Kasana (Appointed as Director w.e.f. 14.07.2025)	Director (Other Units)	28,89,998	12,74,584	16,13,839	**57,78,421**

Part-time Official (Government/Non-Executive) Directors are not paid any remuneration or sitting fees for attending Board/ Committee meetings. Part-time Independent (Non-Executive) Directors are paid sitting fees of ₹ 40,000 for each meeting of the Board & for each Independent Directors meeting and ₹ 35,000 for each Board Committee(s) meeting. Details of sitting fees paid to the Independent Directors for attending Board and Committee meetings during FY 2025-26 are given below:

Name of the Independent Directors	Amount (₹)
Lt. General Vishwambhar Singh (Retd.)	11,70,000
Mr Pradeep Tripathi	8,55,000
Mr Bharatsinh P Parmar	9,55,000
Total	**29,80,000**

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

Apart from receiving the sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during FY 2025-26.

Stakeholders Relationship Committee

During FY 2025-26, the Composition of Stakeholders Relationship Committee was in line with Section 178(5) of the Companies Act, 2013, Regulation 20 of SEBI (LODR) Regulation, 2015. However, the composition of the Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f 01 April 2025 to 20 May 2025. The Chairman of Stakeholders' Relationship Committee attended the 71st Annual General Meeting of the Company held on 28 August 2025. The terms of reference of the Stakeholder Relationship Committee are as specified in Section 178 of the Act and Regulation 20 read with Part D Schedule II of the Listing Regulations. The Stakeholders' Relationship Committee met once during FY 2025-26.

Some of the functions performed by the Stakeholders' Relationship Committee include:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Reviewing the measures taken for the effective exercise of voting rights by shareholders.
- Reviewing the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Composition of the Stakeholders' Relationship Committee during FY 2025-26 and details of the members' participation at the meeting of the said Committee are as under:

Name	Category	Position Held as on 31 March 2026	Attendance at the Stakeholder Relationship Committee Meeting held on 30 October 2025
Mr Pradeep Tripathi (Appointed as Member and Chairman w.e.f 21.05.2025)	Independent Director	Chairman	Attended
Mr Bhanu Prakash Srivastava (Ceased to be Member w.e.f. 01.06.2025)	Independent Director	-	NA
Mr Damodar Bhattad S	Executive Director	Member	Attended
Mr. Vikraman N	Executive Director	Member	Attended
Mr. Rajnish Sharma, Member [Appointed as Member w.e.f 01.06.2025 and ceased to be Member w.e.f 14.07.2025 as Addl. Charge Director (OU)]	Executive Director	-	NA
Mr. Kamesh Kasana (Appointed as Member w.e.f. 14.07.2025)	Executive Director	Member	Attended

Independent Director · Executive Director · Chairman · Member · Attended · NA Not Applicable

Complaints received from the shareholders are attended promptly as and when they are received. Grievances from shareholders, mainly relating to dividend payments and Annual Report were received and resolved during the year. Following are the details of investors' complaints during 2025-26 (SEBI SCORES):

No. Complaints Received	No. Complaints Resolved	No. Complaints Pending
13	13	Nil

Compliance Officer

Mr S Sreenivas is the Company Secretary & Compliance Officer. His contact details are:

Mr S Sreenivas
Company Secretary
Bharat Electronics Limited
Regd. & Corp. Office, Outer Ring Road,
Nagavara, Bengaluru – 560045
Telephone No.: +91 080-25039266
Email: secretary@bel.co.in

Risk Management and ESG Committee

Pursuant to the requirements of Regulation 21 of the Listing Regulations, the Board of Directors has constituted a Risk Management and ESG Committee with the majority of Members from the Board of Directors. However, the Composition of Risk Management and ESG Committee was not in line with Regulation 21 of SEBI (LODR) Regulations, 2015 w.e.f. 01 April 2025 to 20 May 2025 due to vacancies in position of Independent Directors. The Board of Directors reviews and monitors the status of Risk Management through the Risk Management and ESG Committee, which examines the risks identified by the internal Corporate Risk Management and ESG Committee, assesses the current status of Risk Management in the Company, monitors and reviews the implementation and effectiveness of the risk mitigation measures. The Risk Management Policy is posted on the Company's website, www.bel-india.in. The Risk Management and ESG Committee met two (2) times during FY 2025-26 and the maximum interval between any two meetings was not more than 210 days. The requisite quorum was present for all the meetings. A write-up on Risk Management Procedure forms a part of the Management Discussion and Analysis Report.

The composition of the Risk Management and ESG Committee during FY 2025-26 and the details of members' participation at the meetings of the said Committee are as under:

Name of the Member	Category	Position Held as on 31 March 2026	Attendance at the Risk Management and ESG Committee Meeting held on:	
			18 July 2025	27 January 2026
Mr K V Suresh Kumar			✓	✓
Mr Bhanu Prakash Srivastava (Ceased to be Member w.e.f 01.06.2025)		-	NA	NA
Mr. Bharatsinh P Parmar (Appointed as a Member w.e.f 21.05.2025)			✓	✓
Mr Damodar Bhattad S			✓	✓
Mr Rajnish Sharma			✓	✓
Mr. Kamesh Kasana (Appointed as Member w.e.f. 14.07.2025)			✓	✓

Independent Director | Executive Director | Chairman | Member | ✓ Attended | NA Not Applicable

Independent Directors' Meeting

During the year 2025-26, two (2) meetings of Independent Directors were held on 12 September 2025 and 30 March 2026 inter alia, to:

i. Review the performance of Non-independent Directors and the Board as a whole;

ii. Review the performance of the Chairman of the Company, taking into account, the views of Executive and Non-Executive Directors;

iii. Assess the quality, contents and timelines of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

All the Independent Directors of the Company were present in Independent Directors' meetings held on 12 September 2025 and 30 March 2026.

Corporate Social Responsibility Committee

In pursuance to the provisions of Section 135 of the Companies Act, 2013, Rules made thereunder (as amended) and DPE Guidelines, Corporate Social Responsibility (CSR) Committee has been constituted. However, the Composition of CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May 2025 due to vacancies in position of Independent Directors. The salient terms of reference of the CSR Committee include reviewing the CSR Policy and making it more comprehensive to indicate the activities to be undertaken by the Company as specified under Schedule-VII of the Companies Act, 2013 and the DPE Guidelines as amended from time to time. The CSR Committee met four (4) times during FY 2025-26.

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

- Formulating, reviewing and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company;
- Recommending the projects, programmes, annual action plan and amount of expenditure to be incurred on the activities undertaken;
- Reviewing the performance of the Company in the area of Corporate Social Responsibility;
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The composition of the CSR Committee during FY 2025-26 and the details of members' participation at the meetings of the said Committee are as under:

Name of the Member	Category	Position Held as on 31 March 2026	Attendance at the Corporate Social Responsibility Committee Meeting held on			
			17 July 2025	30 October 2025	03 December 2025	27 January 2026
Mr. Manoj Jain			✓	✓	✓	✓
Dr. Binoy Kumar Das (Ceased to be Member w.e.f 21.05.2025)		-	NA	NA	NA	NA
Mr. Bharatsinh P Parmar (Appointed as a Member w.e.f 21.05.2025)			✓	✓	✓	✓
Mr. Damodar Bhattad S			✓	✓	✓	✓
Mr. Vikraman N			✓	✓	✓	✓
Mr. Rajnish Sharma			✓	✓	LA	✓

Independent Director | Government Nominee Director | Executive Director | Chairman | Member | ✓ Attended | NA Not Applicable

Other Non-Mandatory Committees

The following Sub Committees of the Board have been constituted:

Research & Development Committee

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

Capital Investment Committee

Capital Investment Committee, comprising one Independent Director, Director (Finance), Director (Bangalore Complex), Director (Other Units) and Director (R&D) – co-opted for R&D related proposal has been constituted to consider and approve major Capital Investment proposals.

Share Transfer Committee

Share Transfer Committee, comprising the Chairman & Managing Director, Director (Finance) and Director (Other Units) has been constituted to consider and approve share transfer, transmission, duplicate certificates etc.

Note: The Company Secretary is the Secretary to all the Committees of the Board referred to above.

Particulars of Senior Management

A. Details of Senior Management as on 31 March 2026:

Sl. No.	Name	Designation
1	Mr Damodar Bhattad S.	Director Finance & CFO (KMP)
2	Mr Sreenivas S	Company Secretary (KMP)
3	Mrs Prabha Goyal	ED (NM) Delhi
4	Mr Anoop Kumar Rai	ED (CRL) - GAD
5	Mr Suryanarayana Murthy G	ED (Pune)
6	Cdr. [Retd] K Kumar	ED (NS-S&CS) - BG
7	Mrs Rashmi Kathuria	GM (SCCS) - GAD & UH
8	Mr Nandha Kumar T D	GM (PDIC)
9	Mr Srinivas K	GM (EWNS) - HYD & UH
10	Mr Prahalad P S	GM (CM) - Delhi
11	Mr Giriraja N	GM (EW&A) - BG
12	Mr Jitendra Singh	GM (DCCS) - GAD
13	Mr Tribhuwan Narayana Singh	GM (HR) - BG
14	Mrs Niti Pandit	GM (SP) - CO
15	Mr Ramkumar B	GM (HR) - CO
16	Mrs Manjula Devi N	GM (MS) - BG
17	Mrs Rama S	GM (Finance) - CO
18	Mr Pradeep Kumar Sethia	GM (IA) - CO
19	Mr Murali Meenpidi Thekkedath	GM (PS) - Delhi
20	Mrs Dharani B	CTO (R&WS) - CO
21	Mr Viswanadham C H	GM (EWLS) - HYD
22	Mr Srinivas Rao H P	GM (IM) - Delhi
23	Mr Sanjay Agarwal	GM(CS) - CO
24	Mr Ambrish Tripathi	GM (KOT)
25	Mrs Hemavathy Muthusamy	GM (NW&CS) - BG
26	Mr Indrajit Singh	GM (Finance) - BG
27	Mr Dheeraj Talwar	GM(Radar) - GAD
28	Mr Sanjeevkumar Mahajan	GM (NS-R&FCS) - BG
29	Mrs Deepa Bajpai	GM (PK)
30	Mr Jayandran I	GM(CHN)
31	Mr J Prabhakara Rao	GM (NAMU)
32	Mrs Seema Yadav	GM (Quality) - CO
33	Cmde. Srinivas (Retd.)	GM (A&A) - BG
34	Mrs Rekha Sastry	GM (US) - BG
35	Mrs Hemalatha B J	GM (MR) - BG
36	Mr Sameer	GM(NCS) - GAD
37	Mrs Ruchi Pant	GM (TP) - CO
38	Mr Ramesh Mangipudi	CTO (COMM) - CO
39	Mr Dhirendra N Pandey	GM (MC)
40	Mr Venkataramanan S	GM (ADSN) - BG
41	Mrs Sangeeta Srivastava	GM (Mil.Com) - BG
42	Mr Kumaran P T	GM (Comp) - BG
43	Mr Chinnappa Rajappa Patil	CS (CRL) - BG
44	Mr Rakesh Kumar	GM (Software) - BG

B. Changes took place in the Senior Management during FY 2025-26:

(i) Retirement:

Sl. No.	Name	Designation	Date of Cessation
1	Mrs Ancy James	ED (EM) - BG	31.05.2025
2	Mr Rajendra Aiwale	GM (Seekers / RF & IR) - BG	31.05.2025
3	Mr Durga GK	ED (Software) - BG	30.06.2025
4	Mr Anil Sogi K	GM (EW&A) - BG	30.06.2025
5	Mrs Vanisree V	CTO (EW&P) - C	28.02.2026
6	Mr Suryanarayana Murthy G	ED (Pune)	31.03.2026
7	Mr Murali Meenpidi Thekkedath	GM (PS) - Delhi	31.03.2026

(ii) Appointment/Promotion

Sl. No.	Name	Designation	Date of Appointment
1	Mrs Ruchi Pant	GM (TP) - CO	01.09.2025
2	Mr Ramesh Mangipudi	CTO (COMM) - CO	01.09.2025
3	Mr Dhirendra N Pandey	GM (MC)	01.09.2025
4	Mr Venkataramanan S	GM (ADSN) - BG	01.09.2025
5	Mrs Sangeeta Srivastava	GM (Mil.Com) – BG	01.09.2025
6	Mr Kumaran P T	GM (Comp) - BG	01.09.2025
7	Mr Chinnappa Rajappa Patil	CS (CRL) - BG	01.09.2025
8	Mr Rakesh Kumar	GM (Software) - BG	01.09.2025

Code of Conduct

The Board of Directors of the Company has laid down a Code of Business Conduct and Ethics for all Board Members, KMPs and Senior Management of the Company pursuant to Regulation 17(5) of the Listing Regulations and DPE Guidelines. The Code of Business Conduct and Ethics has been posted on the Company's website, www.bel-india.in. All Board Members, the KMPs and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics as on 31 March 2026. A declaration to this effect signed by the Chairman & Managing Director is attached to this Report.

Code for Prevention of Insider Trading and Fair Disclosure

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended), the Company has put in place a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider and Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the Code) duly approved by the Board of Directors. This Code is applicable to all the designated persons, including their immediate relatives, who are privy to price-sensitive information and any other connected as defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary is responsible for the implementation of the code. The Code has been posted on the Company's website www.bel-india.in.

Subsidiary Companies

The Company does not have any material unlisted Indian Subsidiary Company as on 31 March 2026. The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Audited Annual Financial Statements, including quarterly results of the subsidiaries, including the investments made by the subsidiaries. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are placed before the Board of Directors of the Company. A policy on Material Subsidiaries has been formulated and has been posted on the Company's website at https://bel-india.in/wp-content/uploads/2024/04/Policy-for-Determining-Material-Subsidiaries.pdf

Presidential Directives and Guidelines

Your Company has been following the Presidential Directives and Guidelines issued by the Govt. of India from time to time.

CEO/CFO Certification

As required under the Listing Regulations and DPE Guidelines, the CEO and CFO certificate is attached to this Report.

Reconciliation of Share Capital Audit

In pursuant to Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, the Company obtains a Reconciliation of Share Capital Audit Report (RSCAR) from a

Practising Company Secretary every quarter to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and physical holding with the total issued and listed capital. The RSCAR confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The RSCAR is forwarded to the Stock Exchanges (BSE & NSE).

DPE Grading

The DPE Guidelines on Corporate Governance for the CPSEs provide that the CPSEs would be graded on the basis of their compliance with the Guidelines. The DPE has graded BEL as **'Excellent'** for FY 2025-26.

Transfer to Investor Education and Protection Fund Account

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, all the shares in respect of which the dividend has remained unclaimed for seven consecutive years or more from the date of transfer to the unpaid dividend account shall also be transferred to the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

During FY 2025-26, an unclaimed/unpaid amount pertaining to the Final dividend 2017-18 and 1st Interim dividend 2018-19 were transferred to IEPF. The Company has posted on its website www.bel-india.in on a separate page titled 'Investors – Dividend' the details of unclaimed dividend and guidance information for claiming unpaid dividends. Shareholders are requested to make use of the claim form provided there to claim unpaid/unclaimed dividends. Details of shares transferred to IEPF have been uploaded on the website of IEPF as well as of the Company.

In respect of dividends/shares which have been transferred to the IEPF, shareholders can claim the same from the IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Pursuant to the provisions of the Investor Education and Protection Fund (IEPF) Rules, the Company has appointed Mr. S. Sreenivas, Company Secretary, as the Nodal Officer. The details of the Nodal Officer are as follows: Email: secretary@bel.co.in; Address: Bharat Electronics Limited, Outer Ring Road, Nagavara, Bengaluru – 560045; Telephone No.: 080-25039266.

General Body Meetings

(a) Location and time, where last three AGMs were held: The details of the last three Annual General Meetings are as follows:

Financial Year	Venue	Date & Time
2022-23	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	28 August 2023 at 10:00 A.M.
2023-24	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	28 August 2024 at 10:00 A.M.
2024-25	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	28 August 2025 at 09:30 A.M.

(b) Special resolutions passed in the previous three AGMs: Special resolutions passed in the 71st Annual General Meeting held on 28 August 2025 for appointment of Independent Directors viz, Lt. General Vishwambhar Singh (Retd.), Mr Pradeep Tripathi and Mr Bharatsinh P Parmar.

(b) Special Resolution passed last year through postal ballot - details of voting pattern: No special resolution was passed through postal in the last year.

(c) Person who conducted the postal ballot exercise: Not Applicable.

(d) Special resolution is proposed to be conducted through postal ballot: At present, there is no proposal to pass any special resolution through Postal Ballot.

(e) Procedure for Postal Ballot: Not Applicable.

Means of Communication

As required under the Listing Regulations, the Company issues a notice in advance, to the Stock Exchanges, of the Board Meetings in which the unaudited/audited financial results are due for consideration. The quarterly (unaudited) and annual (audited) financial results of the Company are uploaded on the NSE Electronic Application Processing System (NEAPS) and the BSE Listing Centre in accordance with the requirements of Listing Regulations. The approved financial results are published within 48 hours of the conclusion of the Board meeting in at least one English daily newspaper (Financial Express, Business Standard, Business Line) circulating in the whole or substantially the whole of India and in one daily newspaper (Prajavani, Vijaya Karnataka) published in the language of the region (Kannada), where the registered office of the Company is situated and also uploaded on the Company's website www.bel-india.in.

The Company discloses to the Stock Exchange, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance/operations of the Company or other price-sensitive information. The official media releases and presentations made to institutional investors/analysts are posted on the Company's website.

In compliance with Regulation 46 of the Listing Regulations, the Company disseminates on its website information which inter-alia contains, details regarding the Board of Directors composition of various committees of the Board of Directors, code of conduct, policy dealing with RPTs, contact information of the designated officials of the Company responsible for assisting and handling investor grievances etc.

General Information for Shareholders

Annual General Meeting

Date: 28 August 2026

Time: 10:00 A.M (IST)

Venue: The 72nd AGM of the Company will be held through VC/OAVM pursuant to MCA and SEBI Listing Regulations and as such there is no requirement to have venue for the AGM. For more details, please refer to the Notice of 72nd AGM of the Company.

Financial Calendar 2026-27

Financial Year	:	1 April 2026 to 31 March 2027
First quarter results	:	By the end of July 2026
Second quarter results	:	By the end of October 2026
Third quarter results	:	By the end of January 2027
Annual Audited results	:	By the end of May 2027
Annual General Meeting	:	By August/September 2027

Book Closure

From 14 August 2026 to 16 August 2026.

Dividend Payment Date

Dividends will be paid within 30 days from the date of declaration.

Listing on Stock Exchanges

BEL's shares are currently listed on the following stock exchanges:

(1) Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001.

(2) National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051.

The Company has paid listing fees for the financial years 2025-26 and 2026-27 to both the stock exchanges.

Custody Fees to Depositories

The Company has paid annual custody fees for the financial years 2025-26 & 2026-27 to both the Depositories, viz., National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

Registrar and Share Transfer Agent

Integrated Registry Management Services Pvt. Ltd., Bengaluru, a SEBI registered Category-I Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent (RTA) [SEBI Reg. No: INR000000544]. The RTA's address is given below to forward all share transfer/transmission/split/consolidation/issue of duplicate certificates/change of address requests/dematerialisation/rematerialisation requests and related matters as well as all dividend related queries and complaints etc.

Address and contact details of Company's RTA:
Integrated Registry Management Services Pvt. Ltd.
No. 30, Ramana Residency, 4th Cross Sampige Road,
Malleswaram Bengaluru – 560 003
Telephone No.: +91 080-23460815/16/17/18
Fax: 080 23460819
E-mail: irg@integratedindia.in.

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialised form w.e.f. 1 April 2019, except in case of request received for transmission or transposition of securities. However, shareholders are not barred from holding shares in physical form. Members holding shares in the physical form are requested to consider converting their holdings to the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). As on 31 March 2026, 99.99% of the total equity shares of the Company are held by the investors in dematerialised form with NSDL and CDSL. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE263A01024. The Company's shares are highly liquid and are actively traded in BSE and NSE.

Shareholders holding shares in Physical and Dematerialised form as on 31 March 2026

Mode	Shareholders	Shares	Per%
NSDL	6,77,084	6,87,58,85,626	94.06
CDSL	18,86,767	43,34,44,240	5.93
Physical	50	4,48,963	0.01
Total	**25,63,901**	**7,30,97,78,829**	**100.00**

Equity Shares in the Suspense Account

In accordance with the requirements of Regulation 34(3) read with Part F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company confirms that there were no equity shares lying in the suspense account as on 31 March 2026.

Category-wise Shareholders Pattern as on 31 March 2026

Sr.	Category	No. of shareholders	No. of shares	% Holding
1	Central Government	1	3,73,79,21,934	51.14
2	Mutual Funds/ UTI	55	1,04,35,12,543	14.28
3	Financial Institutions/ Banks	13	18,32,042	0.03
4	Alternative Investments Funds	54	71,82,378	0.10
5	Insurance Companies	35	25,44,81,108	3.48
6	Foreign Portfolio Investors	1,071	1,42,55,51,130	19.50
7	Provident Funds / Pension Funds	2	1,54,08,1,988	2.11
8	Bodies Corporate	3,739	3,35,55,034	0.46
9	Individuals	24,70,800	59,06,19,350	8.09
10	Trusts	73	23,21,500	0.03
11	NRIs	35,716	3,44,42,250	0.47
12	Foreign Individuals	5	2,930	0.00
13	Clearing Members	11	3,52,245	0.00
14	LLP	496	46,30,131	0.06
15	HUF	18,807	1,88,40,368	0.25
16	Investor Education and Protection Fund Authority Ministry of Corporate	1	1,46,397	0.00
17	Other Depository Account – NBFCs Registered with RBI	12	2,98,862	0.00
18	Others	5	6,639	0.00
	Total	**25,30,896**	**7,30,97,78,829**	**100.00**

Top 10 Shareholders (Other than Promoters) as on 31 March 2026 (Based on PAN)

Sr.	Name of the Shareholder	No. of Shares	% Holding
1	KOTAK MAHINDRA TRUSTEE CO LTD (VARIOUS SCHEMES)	16,72,07,037	2.29
2	NPS TRUST A/C - AXIS PENSION FUND (VARIOUS SCHEMES)	15,40,81,988	2.11
3	SBI QUALITY FUND (VARIOUS SCHEMES)	14,97,99,819	2.05
4	NIPPON LIFE INDIA TRUSTEE LTD A/C NIPPON INDIA NIF (VARIOUS SCHEMES)	14,91,59,154	2.04
5	GOVERNMENT OF SINGAPORE (VARIOUS SCHEMES)	8,28,92,942	1.13
6	LIC INDEX PLUS FLEXI GROWTH FUND (VARIOUS SCHEMES)	8,15,45,127	1.12
7	MOTILAL OSWAL NIFTY 100 ETF (VARIOUS SCHEMES)	7,79,83,936	1.07
8	HDFC MUTUAL FUND - HDFC INNOVATION FUND (VARIOUS SCHEMES)	7,54,45,276	1.03
9	UTI NIFTY INDIA MANUFACTURING INDEX FUND (VARIOUS SCHEMES)	6,58,92,468	0.90
10	SBI LIFE INSURANCE CO. LTD	5,71,76,205	0.78

Distribution of Shareholding as on 31 March 2026

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	23,69,936	92.43	17,60,78,183	2.41
501 – 1,000	99,231	3.87	7,41,44,412	1.01
1,001 – 2,000	48,964	1.91	7,10,03,375	0.97
2,001 – 3,000	16,784	0.65	4,26,83,182	0.58
3,001 – 4,000	7,938	0.31	2,81,90,107	0.39
4,001 – 5,000	5,054	0.20	2,34,24,807	0.32
5,001 - 10,000	8,417	0.33	6,06,22,780	0.83
10,001 and Above	7,577	0.30	6,83,36,31,983	93.49
Total	**25,63,901**	**100.00**	**7,30,97,78,829**	**100.00**

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31 March 2026, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The details are disclosed in Note No.33 of Notes to Accounts in the Annual Report.

Plant Locations

1. Jalahalli Post, Bengaluru – 560013, Karnataka.
2. Site IV, Sahibabad Industrial Area, Bharat Nagar Post, Ghaziabad – 201010, Uttar Pradesh.
3. Plot No.405, Industrial Area, Phase III, Panchkula – 134113, Haryana.
4. Balbhadrapur, Dist. Pauri Garhwal, Kotdwara – 246149, Uttarakhand.
5. Plot No.L-1, M.I.D.C. Industrial Area, Navi Mumbai – 410208, Maharashtra.
6. N.D.A. Road, Pashan, Pune – 411021, Maharashtra.
7. Industrial Estate, Nacharam, Hyderabad – 500076, Telangana.
8. Post Box No.26, Rabindranath Tagore Road, Machilipatnam – 521001, Andhra Pradesh.
9. Post Box No. 981, Nandambakkam, Chennai – 600089, Tamil Nadu.

Address for Correspondence

Company Secretary
Bharat Electronics Limited
Registered Office and Corporate Office,
Outer Ring Road, Nagavara, Bengaluru – 560 045
Telephone No.: +91 080 25039266
E-mail: secretary@bel.co.in
Website: www.bel-india.in

Credit Rating

ICRA (Credit Rating Agency) has reaffirmed the following credit ratings of the Company:

(i) Long-term rating of [ICRA]AAA (Stable) to ₹ 500 Crore fund based Cash Credit and up to ₹ 300 Crore unallocated.

(ii) Short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) to ₹ 6,500 Crore non-fund based - Others.

Other 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. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. Nonetheless, transactions with related parties have been disclosed in Note No.31 of Notes to Accounts in the Annual Report. The Board's approved policy for related party transactions has been placed on the Company's website and can be accessed through https://bel-india.in/codes-policies/

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

During FY 2025-26:

(i) During FY 2025-26, the composition of Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulations, 2015, Section 149 of the Companies Act, 2013 and DPE Guidelines.

(ii) The Composition of Audit Committee was not in terms of Regulation 18 of SEBI (LODR) Regulations, 2015, Section 177 of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 15 May 2025.

(iii) The Composition of Nomination and Remuneration Committee was not in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, Section 178(1) of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 20 May 2025.

(iv) The composition of the Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f 01 April 2025 to 20 May 2025.

(v) The Composition of Risk Management Committee was not in terms of Regulation 21 of SEBI (LODR) Regulations, 2015 w.e.f 01 April 2025 to 20 May 2025.

(vi) The Composition of CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May 2025.

The NSE & the BSE have imposed fines of ₹ 10,07,720/- each (including GST) for the quarter ended 31 March 2025, ₹ 8,95,620/- each (including GST) for the quarter ended 30 June 2025, ₹ 5,42,800/- each (including GST) for the quarter ended 30 September 2025 and ₹ 5,42,800/- each (including GST) for the quarter ended 31 December 2025, for the aforementioned non-compliances. The Board suggested that NSE & BSE should be informed about the procedure for appointment of Directors followed by the Company as per DPE Guidelines, being a Government Company the Independent Directors are appointed by the Administrative Ministry. Hence, the penalty levied on BEL by NSE & BSE can be excused. Accordingly, a reply was sent to BSE & NSE and no fine was paid.

During FY 2024-25:

(i) The composition of Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulation, 2015 w.e.f. 10 August 2024 and not in terms of Section 149 of the Companies Act, 2013 w.e.f. 28 December 2024.

(ii) The Quorum of Board meeting held on 5 March 2025 was not in terms of Regulation 17(2A) of SEBI (LODR) Regulations, 2015.

(iii) The Composition of Audit Committee was not in terms Section 177 of the Companies Act, 2013, Regulation 18(1) of SEBI (LODR) Regulation, 2015 and DPE Guidelines w.e.f. 20 January 2025.

(iv) The quorum of Audit Committee meeting held on 30 January 2025 was not in terms of Regulation 18(2) of SEBI (LODR) Regulations, 2015.

(v) The Composition of Nomination and Remuneration Committee was not in terms of Regulation 19(1) & (2) of SEBI (LODR) Regulation, 2015 till w.e.f. 28 December 2024 and was in terms of Section 178(1) of the Companies Act, 2013 w.e.f. 20 January 2025.

(vi) The Composition of Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulation, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f. 7 February 2025.

(vii) The Composition of Risk Management Committee was not in terms of Regulation 21 of SEBI (LODR) Regulation, 2015 w.e.f. 7 February 2025.

(viii) The Composition of CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 7 February 2025.

The NSE & the BSE have imposed fines of ₹ 3,06,800/- each (including GST) for the quarter ended 31 December 2024, for non-compliance of Regulation 17(1) in respect of composition of Board of Directors due to insufficient number of Independent Directors. The Board suggested that NSE & BSE should be informed about the procedure for appointment of Directors followed by the Company as per DPE Guidelines, being a Government Company the Independent Directors are appointed by the Administrative Ministry. Hence, the penalty levied on BEL by NSE & BSE can be excused. Accordingly, a reply was sent to BSE & NSE and no fine was paid.

During FY 2023-24:

(i) The composition of the Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulation, 2015 from 16 June 2023 to 31 July 2023.

The NSE & the BSE have imposed fines of ₹ 88,500/- each (including GST) for the quarter ended 30 June 2023 and ₹ 1,82,900/- each (including GST) for the quarter ended 30 September 2023, for non-compliance of Regulation 17(1) in respect of composition of Board of Directors due to insufficient number of Independent Directors. The Board suggested that NSE & BSE should be informed about the procedure for appointment of Directors followed by the Company as per DPE Guidelines, being a Government Company the Independent Directors are appointed by the Administrative Ministry. Hence, the penalty levied on BEL by NSE & BSE can be excused. Accordingly, a reply was sent to BSE & NSE and no fine was paid.

(c) The Company has established a vigil mechanism and adopted a Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics Policy. The employees are encouraged to raise any of their concerns by way of whistle-blowing and none of the employees have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company www.bel-india.in.

(d) Compliance with Discretionary Non-Mandatory Provisions: The status of the compliance with the non-mandatory recommendation in the Listing Regulations is as under:

- The Company has the position of the Chairman & Managing Director (Executive) & there is no Non-Executive Chairman.
- Process of communicating with shareholders is very robust and the procedure has been explained under 'Means of Communication'.
- The financial statements of the Company are disclosed with unmodified audit opinion.
- The Head of Internal Audit reports directly to Chairman & Managing Director and is a permanent invitee to the meeting of the Audit Committee.
- During FY 2025-26, two meetings of Independent Directors were held on 12 September 2025 and 30 March 2026 without the presence of non-Independent Directors and members of the management. All the Independent Directors of the Company were present in the meeting.

(e) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified in Regulation 32 (7A) of the Listing Regulations.

(f) During FY 2025-26, the Board of Directors accepted all the recommendations of its Committees which were mandatorily required.

(g) All details of total fees for services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part during FY 2025-26 are given below:

Particulars	Amount (₹ in Lakhs)
Audit Fees	50
Tax Audit Fees	06
Other Services	27
Reimbursement of Expenses	09
Total	**92**

(h) The details of complaints filed, disposed of and pending during FY 2025-26 pertaining to sexual harassment are provided in the Business Responsibility & Sustainability Report Annexed to Board's Report.

(i) No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees/ex-employees, towards fulfilling its Corporate Social Responsibility, were debited in the books of accounts.

(j) Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits and sitting fees as permissible under the rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.

(k) Administrative and office expenses as a percentage of total expenses and reasons for the increase, if any:

Administrative and office expenses were 2.79% of the total expenses for the year 2025-26 against 2.86% in the previous year.

(l) The Company has not given any loans and advances to firms/company in which directors are interested.

Compliance

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and all mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs except composition of Board of Directors and Composition of Board Committees. The Company has also been submitting to the stock exchanges and to the Government, quarterly compliance report on Corporate Governance. As required under the Listing Regulations with the stock exchanges, the Auditors' Certificate on compliance with conditions of Corporate Governance by the Company is attached to this report.

For and on behalf of the Board

Bengaluru
1 August 2026

Manoj Jain
Chairman & Managing Director

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Bharat Electronics Limited
Outer Ring Road, Nagavara
Bengaluru - 560045, Karnataka.

In pursuance of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BHARAT ELECTRONICS LIMITED having CIN L32309KA1954GOI000787 and having registered office at Outer Ring Road, Nagavara, Bengaluru - 560045, Karnataka (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declarations received from the Directors of the Company and according to the verifications (including viewing Director Master Data & DIN status at the portal www.mca.gov.in) as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2026 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Designation	Date of appointment in Company	Date of cessation
1.	Mr Manoj Jain*	09749046	Managing Director	26/09/2022	-
2.	Mr Bhanu Prakash Srivastava	09578183	Whole-time Director	20/04/2022	31/05/2025
3.	Mr Damodar Bhattad	09780732	Whole-time Director	11/01/2023	-
4.	Mr Nagarajan Vikraman	10185349	Whole Time Director	01/06/2023	-
5.	Mr Venkata Suresh Kumar Kaipa	10200827	Whole Time Director	16/06/2023	-
6.	Mr Rajinsh Sharma	10738394	Whole Time Director	10/08/2024	-
7.	Mr Harikumar Raghavan Nair	11086669	Whole Time Director	02/05/2025	-
8.	Mr Kamesh Kasana	11194293	Whole Time Director	14/07/2025	
9.	Mr Rajeev Prakash	08590061	Govt. Nominee Director	10/09/2024	16/07/2025
10.	Ms Meera Mohanty	03379561	Govt. Nominee Director	16/07/2025	-
11.	Dr Binoy Kumar Das	09660260	Govt. Nominee Director	04/07/2022	-
12.	Lt. General Vishwambhar Singh (Retd.)	09461326	Independent Director	23/04/2025	-
13.	Mr Pradeep Tripathi	11111295	Independent Director	16/05/2025	-
14.	Mr Bharatsinh Prabhatsinh Parmar	07781550	Independent Director	21/05/2025	-

*Mr Manoj Jain appointed as Chairman and Managing Director w.e.f 20 June 2024.

For **Thirupal Gorige & Associates LLP**
Practising Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
F006680H000398665

Place: Bengaluru
Date: 19 May 2026

Declaration of Compliance with the Code of Business Conduct and Ethics

Pursuant to the relevant provisions under SEBI (LODR) Regulations, 2015 and the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises as contained in the DPE OM No. 18(8)/2005-GM dated 22 June 2007, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members, KMPs & Senior Management of Bharat Electronics Limited, for the year ended 31 March 2026.

For and on behalf of the Board

Bengaluru
19 May 2026

Manoj Jain
Chairman & Managing Director

Certificate by CEO & CFO

for the purpose of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & as required under DPE Guidelines on Corporate Governance

To,
The Board of Directors
Bharat Electronics Limited

We hereby certify that:

(a) We have reviewed the financial statements and the cash flow statement for the period ended 31 March 2026 and to the best of our knowledge and belief:

(i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These results together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Management, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Management:

(i) Any significant changes in internal control over financial reporting during the period;

(ii) Any significant changes in accounting policies during the period; and

(iii) Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Bengaluru
Date: 19 May 2026

Damodar Bhattad S
Director (Finance) & CFO

Manoj Jain
Chairman & Managing Director

Independent Auditor's Certificate on Compliance with the Corporate Governance

To,
The Members
Bharat Electronics Limited
Outer Ring Road, Nagavara,
Bengaluru-560045, Karnataka.

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 January 2026.

2. The report contains details of compliance of conditions of Corporate Governance by **BHARAT ELECTRONICS LIMITED** (the "Company"), for the year ended 31 March 2026, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

3. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

4. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

5. Our responsibility is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

6. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March 2026.

7. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special purposes' (Revised 2016) and Guidance Note on Certification of Corporate Governance', both issued by Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations for the year ended 31 March 2026, except the following:

   (i) During the FY 2025-26, the composition of Board was not in terms of Regulation 17(1) of SEBI (LODR) Regulations, 2015, section 149 of the Companies Act, 2013 and DPE Guidelines, due to vacancies in the position of Independent Directors.

   (ii) The Composition of Audit Committee was not in terms of Regulation 18 of SEBI (LODR) Regulations, 2015, Section 177 of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 15 May 2025, due to vacancies in the position of Independent Directors.

   (iii) The Composition of Nomination and Remuneration Committee was not in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, section 178(1) of the Companies Act, 2013 and DPE Guidelines w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

   (iv) The composition of the Stakeholders Relationship Committee was not in terms of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 w.e.f 01 April 2025 to 20 May, 2025, due to vacancies in the position of Independent Directors.

   (v) The Composition of Risk Management Committee was not in terms of Regulation 21 of SEBI (LODR) Regulations, 2015 w.e.f 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

   (vi) The Composition of CSR Committee was not in terms of Section 135 of the Companies Act, 2013 w.e.f. 01 April 2025 to 20 May 2025, due to vacancies in the position of Independent Directors.

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

Restriction on use

11. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Rao & Emmar**
Chartered Accountants
Firm Registration Number: 003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713VGODVS9740

Place: Bengaluru
Date: 19 May 2026

Annexure-6

Business Responsibility & Sustainability Report

Section A: General Disclosures

I. Details of the listed entity:

1.	Corporate Identity Number (CIN) of the Listed Entity	L32309KA1954GOI000787
2.	Name of the Listed Entity	Bharat Electronics Limited
3.	Year of Incorporation	1954
4.	Registered office address	Outer Ring Road, Nagavara, Bengaluru -560045.
5.	Corporate address	Outer Ring Road, Nagavara, Bengaluru -560045.
6.	E-mail	secretary@bel.co.in
7.	Telephone	+91 080-25039300
8.	Website	www.bel-india.in
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) of where shares are listed	1. BSE Limited 2. National Stock Exchange India Limited
11.	Paid-up Capital	₹7,30,97,78,829
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr S Sreenivas Company Secretary Bharat Electronics Limited Regd. & Corp. Office, Outer Ring Road, Nagavara, Bengaluru – 560045 Telephone No.: +91 080-25039266 E-mail: secretary@bel.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14.	Name of assessment or assurance provider	Sustainability Actions Private Limited
15.	Type of assessment or assurance obtained	Reasonable assurance

II. Products/services:

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Designing & development, engineering, manufacturing and sale of wide range of strategic electronic products and systems	90%
2	Services	Installation & commissioning repairs and maintenance, AMC, product upgrade contracts for products/ systems delivered by the Company	10%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Communication Systems/C4I	2630	30
2	Radar & Fire Control System	2651	17
3	Electronic Warfare Systems	2008	23
4	Weapon Systems	2927	20

III. Operations:

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	09	38	47
International	0	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36*
International (No. of Countries)	13

*28 States and 8 Union Territories. Our product reach covers the entire Indian Territory through our Defence Forces / Non-Defence Customers.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

4.99%

c. A brief on types of customers

The Company's customer base comprises the Indian Armed Forces (Army, Navy and Air Force), Paramilitary, Coast Guard, Government agencies, Public Sector Undertakings (PSUs), private sector entities, Original Equipment Manufacturers (OEMs), foreign governments and the Ministry of Defence of the friendly foreign countries.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
			Employees			
1.	Permanent (D)	7,074	5,610	79.30%	1,464	20.70%
2.	Other than Permanent (E)	5,370	4,031	75.07%	1,339	24.93%
3.	**Total employees (D + E)**	**12,444**	**9,641**	**77.48%**	**2,803**	**22.52%**
			Workers			
4.	Permanent (F)	2,346	1,784	76.04%	562	23.96%
5.	Other than Permanent (G)	6,761	5,502	81.38%	1,259	18.62%
6.	**Total workers (F + G)**	**9,107**	**7,286**	**80.00%**	**1,821**	**20.00%**

Note: During FY 2024-25, count of Non-Executives & Contract workmen were considered under "Employees" in addition to being indicated under "Workers". However, for FY 2025-26, in order to avoid double counting, the count of non-executives and contract workmen have been excluded from the count in "Employees" category and indicated only under the "Workers" category. The same logic has been used across the BRSR data provided.

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	% (C/A)
	Differently abled Employees					
1.	Permanent (D)	130	115	88.46%	15	11.54%
2.	Other than Permanent (E)	32	27	84.38%	5	15.63%
3.	**Total differently abled employees (D+E)**	**162**	**142**	**87.65%**	**20**	**12.35%**
	Differently abled Workers					
4.	Permanent (F)	78	57	73.08%	21	26.92%
5.	Other than Permanent (G)	55	45	81.82%	10	18.18%
6.	**Total differently abled workers (F+G)**	**133**	**102**	**76.69%**	**31**	**23.31%**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	Nil	0.00
Key Management Personnel	1*	Nil	0.00

*KMP (CS) excluding Chairman & Managing Director and Director (Finance) & CFO who are part of Board.

22. Turnover rate for permanent employees and workers:

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.57	4.28	5.30	2.00	0.48	**2.48**	1.54	0.49	**2.03**
Permanent Workers	5.34	9.56	6.39	1.36	0.04	**1.40**	0.97	0.23	**1.20**

Note: Exits (Resignation, Retirement, Death & Termination) for the FY 2025-2026 is considered. Turnover of Employees is calculated on the basis of employees in the beginning of the year and employee at the end of the year (average number of employees)

V. Holding, Subsidiary and Associate Companies (including joint ventures):

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	BEL Optronic Devices Limited	Subsidiary	100	No
2	BEL-THALES Systems Limited	Subsidiary	74	No
3	GE BE Private Limited	Associate	26	No
4	Defence Innovation Organisation	Associate	50	No
5	BEL IAI Aerosystems Private Limited	Associate	40	No
6	Electronic Warfare (Defence) Testing Foundation	Associate	40	No
7	Communication (Defence) Testing Foundation	Associate	40	No
8	UAS Testing Foundation	Associate	20	No

VI. CSR Details:

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): ₹ 2,66,79,57,52,240.

(iii) Net worth (in ₹): ₹ 2,36,97,55,56,827.

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Centralized Public Grievance Redress and Monitoring System(CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the department of Administrative Reforms & Public Grievance. (Web-link: www.pgportal.gov.in)	118	Nil	Nil	117	Nil	Nil
Investors (other than shareholders)	NA	Nil	Nil	-	Nil	Nil	-
Shareholders (SEBI Scores)	Yes. (Web-link: scores.sebi.gov.in)	13	Nil	-	2	Nil	-
Employees and workers	Yes (Web-link: http://belportal.iscodom.com:50000/irj/portal)	77	10	In progress	235	32	All pending complaints have been closed during 2025-26
Customers	Yes**	18,344	3,602	***	15,278	4,182	***
Value Chain Partners	Yes, through CPGRAMS Portal (Web-link: www.pgportal.gov.in)	Nil	Nil	-	9	1	-
Other (please specify)	-	-	-	-	-	-	-

**BEL has a grievance redressal mechanism in place where customer can call on Toll Free number 1800 425 0433 and register their complaints on a product / system being used by them and which has been supplied by BEL. There are also informal channels available wherein customer can register their complaints through fax/email to the concerned department handling that product category and the same is uploaded on the centralised CRM system (https://hpcrmp2.iscodom.com/sap/crm_logon?sap-clent=710).

***Some of the complaints remain unresolved at the end of the year due to non-availability of spare part/sub system from the original supplier, delay in supply due to supply-chain issues or obsolescence of electronic items for which BEL has to find an equivalent alternative/design a form fit equivalent which may take time.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon Footprint	Opportunity	With growing concern for Green House Gas (GHG) emissions, BEL is shifting towards tapping "Clean & Renewable" Energy sources for meeting the power requirements.	Not applicable	Positive: Achieving "Net Zero Carbon Emission Status" through renewable energy resources, energy conservation measures and emission reduction
2	Environmental Footprint- Water management	Risk	Water scarcity can impair the company's operations and disrupt business	Employee awareness on water management, more efficient use of water in campuses, Rain water harvesting & recycling of wastewater resulting in reduction of wastewater generation	Negative
3	Environmental Pollution	Risk	Failure to provide a safe working environment exposes BEL to suboptimal productivity, loss of business reputation and other costs	1. All the necessary pollution control norms for air, noise etc. are followed. 2. Disposal of hazardous waste is monitored within permissible limits	Negative: Incidents impact business reputation leading to negative financial implication
4	Health, safety and environment	Risk	1. Non-compliance with safety measures by employees. 2. Non-awareness of hazardous nature of material	1. Strict adherence to BBS (behaviour-based safety system). 2. Focus on reducing the generation of effluent and arresting at the source and following MSDS for hazardous material handling. 3. Medical check-up, vaccination drive as per Govt. Regulations	Negative: Incidents impact employee morale and business reputation leading to negative financial implication

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Principle P1: Transparency & Accountability	Principle P2: Product Responsibility	Principle P3: Employee Development
• Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management • Code for Regulating, Monitoring and Reporting of Trading by Insiders and Fair Disclosure of UPSI • Whistle Blower Policy • Related Party Transactions Policy • Risk Management Policy • Dividend Distribution Policy	• Sustainable Development Policy • Business Responsibility Policy • Risk Management Policy	• Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management • BEL's Policy for Training of Directors • Business Responsibility Policy • Whistle Blower Policy

Principle P4: Stakeholder Engagement	Principle P5: Human Rights	Principle P6: Environment
• Business Responsibility Policy • CSR Policy • Policy on Determination of Materiality of Event or Information • Whistle Blower Policy • Risk Management Policy	• Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management • Whistle Blower Policy	• Sustainable Development Policy • Business Responsibility Policy • Risk Management Policy
Principle P7: Policy Advocacy	**Principle P8: Inclusive Growth**	**Principle P9: Customer Value**
• Policy on Determination of Materiality of Event or Information • Business Responsibility Policy	• CSR Policy • Business Responsibility Policy • Sustainable Development Policy	• Business Responsibility Policy • Sustainable Development Policy

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1. a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	https://bel-india.in/codes-policies/								
2.	Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes / certifications /labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	20 Units/SBUs are certified with QMS AS 9100D, and 8 SBUs/Divisions are certified with QMS ISO 9001, all 9 Units are certified with EMS ISO 14001, and all 9 Units are certified with EnMS ISO 50001, and 8 Units are certified with OHSMS ISO 45001, 14 Units/Divisions are certifed with ISMS ISO 27001, EM SBU is Certified with MDQMS ISO 13485, 13 Labs across the Organization are certified for ISO 17025. CRL Ghaziabad, Software SBU and Hyderabad are certified for CMMi level 5. NCS, DCCS, Radar SBUs of Ghaziabad, and Chennai Unit are certified for CMMi Level 3. Software SBU is certified for ITSMS ISO 20000-1 and BCMS ISO 22301. BAE and BEEI are certified for EOMS ISO 21001.								
AS 9100D		✓	✓	✓	✓		✓	✓		✓
ISO 9001		✓	✓	✓	✓		✓	✓	✓	✓
ISO 14001				✓			✓			
ISO 50001				✓		✓	✓			
ISO 45001				✓		✓	✓	✓		
ISO 27001		✓		✓		✓		✓		✓
ISO 13485			✓							✓
ISO 17025			✓				✓		✓	✓
CMMI Level 5 and Level 3		✓	✓	✓			✓		✓	
ISO 20000		✓			✓					✓
ISO 22301		✓		✓	✓	✓	✓			✓
ISO 21001				✓	✓				✓	
AFQMS certification		✓	✓	✓						✓

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	• BEL has set a target to achieve Net Zero Carbon Emissions by 2035, considering the GHG emissions in the FY 2024-25 as baseline, in line with Principle 6. The target is applicable to all Units of BEL, covering all three Scopes of emissions. • In June 2024, BEL had taken the target to achieve RE 100 status by March 2025.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	• BEL continues to progress towards its Net Zero 2035 target. The early achievement of RE100 has eliminated Scope 2 emissions from manufacturing operations, representing a significant milestone towards the overall Net Zero goal. • BEL achieved RE100 status in January 2025, ahead of its March 2025 target. During FY 2025-26, all the manufacturing operations were carried out using renewable energy.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Bharat Electronics Limited, our responsibility extends beyond delivering advanced defence and strategic electronics. As a trusted partner in India's journey towards self-reliance, we recognise that sustainable business practices are essential to building an organisation that is resilient, responsible and future-ready. This Business Responsibility and Sustainability Report present our approach to integrating environmental, social land governance considerations into our business while creating long-term value for our stakeholders. It reflects the progress we have made in strengthening our operations, enhancing resource efficiency, fostering an inclusive workplace and upholding the highest standards of ethics and governance. As global security priorities evolve and technological advancements reshape the defence landscape, we remain committed to driving innovation responsibly. During FY 2025-26, BEL achieved a significant milestone by carrying out all manufacturing operations using renewable electricity, reinforcing our progress towards our Net Zero 2035 aspiration. Alongside this, we continue to strengthen resource efficiency, reduce our environmental footprint and embed sustainability across our operations. Our employees remain the cornerstone of our success, and we continue to invest in their safety, well-being and professional development while creating meaningful social impact through initiatives in healthcare, education and skill development. Guided by integrity, accountability and excellence, BEL remains committed to creating sustainable value for its stakeholders while contributing to India's defence preparedness and long-term sustainable development.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Damodar Bhattad S Director (Human Resources) – Additional Charge. DIN: 09780732								
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. Risk Management and ESG Committee.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Board oversees the compliance and implementation of the policies through its various Committees									As and when required								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business	Not applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles									
The entity does not have the financial or/human and technical resources available for the task									
It is planned to be done in the next financial year									
Any other reason (please specify)									

Section C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	Workshop on Roles and Responsibilities of Board of Directors, Sustainability and ESG, Leadership Excellence-Influence, Integrity & Impact, Understanding White Collar Crimes & Preventive mechanisms.	100%
Key Managerial Personnel	1	Training module on Conduct Rules, Health, Safety & Well-being, RTI, Vigilance, Anti-Corruption and Anti-Bribery, POSH & Gender Sensitization, Cyber Security & Data Privacy, 5s principles, ESG Principles, Industrial Security, Fire Safety, Risk Management and other compliance topics.	100%
Employees other than BoD and KMPs	87	Awareness Sessions/Training Programs on Conduct Rules, Health, Safety & Well-being, RTI, Vigilance, Anti-Corruption and Anti-Bribery, POSH & Gender Sensitization, Cyber Security & Data Privacy, 5s principles, ESG Principles, Industrial Security, Fire Safety, Risk Management and other compliance topics These programs create awareness among employees on key topics/issues.	99.80%
Workers	81	Awareness sessions / Training Programs on Conduct Rules, Health, Safety & Well-being, RTI, Vigilance, Anti-Corruption and Anti-Bribery, POSH & Gender Sensitization, Cyber Security & Data Privacy, 5s principles, ESG Principles, Industrial Security, Fire Safety, Risk Management and other compliance topics. These programs create awareness among employees on key topics/issues.	98.89%

2. Details of fines/penalties /punishment/ award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. We have a Corruption risk management policy. Corruption is a special category of risk, The Corruption Risk Management Policy of BEL, determines the key principles and requirement aimed at preventing corruption and compliance of anti-corruption laws of India. BEL, believes in integrity, transparency and Accountability in all sphere of activities of Recruitment, Promotions, Marketing, Finance and Public Procurement processes, and has zero tolerance towards any form of corruption. BEL incorporates these Values into its Systems, Processes and procedures, which are well equipped to combat Corruption. web-link to the policy: http://172.192.10.101/viewerJS/#../Documents/Corruption%20Risk%20Management%20Policy%20-%202014.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	83	83

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	25%	15%
	b. Number of trading houses where purchases are made from	3125	450
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	16%	50%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers /distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.89%	1.42%
	b. Sales (Sales to related parties / Total Sales)	0.06%	0.11%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	0.00%
	d. Investments (Investments in related parties / Total Investments made)	0.00%	25.69%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
16	1. MSME vendor Development	10 %
	2. SC/ST-Women MSME vendor Development	
	3. MSME conclaves for indenisation	

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company has well defined Code of Conduct for Board members, Key Managerial Personnel (KMP) and Senior Management, which stipulates guidelines for avoiding and disclosing potential conflict of interest with the company. The Directors abstain from participating in the Board/ Committee meetings on matters in which they are interested.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	2.91%	2.18%	Kavach is an Automatic Train Protection (ATP). It prevents train collisions and Signal Passing at Danger to achieve zero accidents. Common rail Direct Injection (CRDI) is an advanced fuel system. It improves fuel atomization, resulting in better efficiency, more power, Lower emissions and reduced noise Air Traffic Management (ATM) aims at ensuring the safe and efficient flow of air traffic i-CBTC Program is to Develop an indigenous CBTC signalling system to ensure fail safe (SIL4) and efficient operations, minimizing human errors and utilizing capital intensive infra optimally for Metro train operations.
Capex**	0.11%	0.06%	The investments in CAPEX in compliance to environmental regulations and guidelines and aimed to be beneficial to the societies in which the CAPEX projects are setup.

Note: *The previous year's R&D investment amount has been disclosed here to provide comparative information. This metric was not disclosed in the previous year's BRSR and has been determined based on a subsequent reassessment of the underlying data.

**The disclosure under Capex has been revised based on a reassessment of the reporting requirements and the intended interpretation of the question. During the current reporting year, the Company has aligned its methodology with the prescribed disclosure requirements and accordingly reported the figures based on the correct interpretation. Consequently, the comparative figures for the previous financial year have also been revised to ensure consistency and comparability across the reporting periods.

2. a. Does the entity have procedures in place for sustainable sourcing?

   No.

   b. If yes, what percentage of inputs were sourced sustainably?

   Not Applicable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The company does not recycle products because most of the products are used for strategic/national security applications. Products delivered to customers are not returned to the company. In few cases products itself comes back for upgradation which will be upgraded and made reusable product. For such product which does not come back to us, guidelines have been provided to customers for handling and disposal of their End of life products. However, services have been provided to customers who are willing to return products for scientific disposal. End-of-life products are scientifically processed and recycled through agency approved by the Pollution Control Board. The company has a structured mechanism to deliver waste from the manufacturing process of its products/equipment through authorised recyclers approved by the Pollution Control Board. Metal waste, waste oil, solvents and copper containing rejects are sent (100%) to authorised recyclers for recycling and recovery. Paper and plastic are handed over to recyclers. In addition, the food waste is used for biogas generation in the Bio-Methanation plant, which in turn is used for light cooking purposes or organic matter are converted to manure in organic waste converter.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes. BEL has already obtained the registration under the EPR framework under Importer and Brand Owner categories of Plastic Waste Management Rules. Registrations under Producer category under E-waste rules is in progress.

   BEL complies with the EPR framework in accordance with the EPR plan submitted to the Pollution Control Boards. As part of this mechanism, BEL fulfills its statutory EPR obligations by procuring recycling and End of Life (EoL) credits from CPCB-registered authorized recyclers, thereby ensuring environmentally sound recycling and end-of-life management of waste materials.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results Communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

Product specific Life Cycle Assessment has not been carried out. However, raw materials to finished product are handled scientifically. Waste materials generated in the value-added process are disposed off scientifically for recycling. Products supplied are provided with disposal guidelines for disposing the product after the End of Use of product.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable.	Not Applicable.	Not Applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	-

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by: Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	5610	5610	100%	5610	100%	NA	NA	5610	100%	*	*
Female	1464	1464	100%	1464	100%	1464	100%	NA	NA	1464	100%
Total	**7074**	**7074**	**100%**	**7074**	**100%**	**1464**	**20.70%**	**5610**	**79.30%**	**1464**	**20.70%**
Other than Permanent employees											
Male	4031	4031	100%	4031	100%	NA	NA	-	-	NA	NA
Female	1339	1339	100%	1339	100%	1339	100%	NA	NA	-	-
Total	**5370**	**5370**	**100%**	**5370**	**100%**	**1339**	**24.93 %**	**-**	**-**	**-**	**-**

*Refer notes

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by: Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	1,784	1,784	100	1,784	100	NA	NA	1,784	100	*	*
Female	562	562	100	562	100	562	100	NA	NA	562	100
Total	**2,346**	**2,346**	**100**	**2,346**	**100**	**562**	**23.96**	**1,784**	**76.04**	**562**	**23.96**
Other than Permanent workers											
Male	5,502	5,502	100	5,502	100	NA	NA	-	-	NA	NA
Female	1,259	1,259	100	1,259	100	1,259	100	NA	NA	-	-
Total	**6,761**	**6,761**	**100**	**6,761**	**100**	**1,259**	**18.62**	**-**	**-**	**-**	**-**

*Refer notes

Notes:

1. The above manpower data is as on 31.03.2026. The Company has a Medical scheme to address the medical needs of Employees/workers and their dependants. Each Unit of BEL has an Occupational Health Centre/ Medical Centre to address the medical needs of employees. In case of specialized treatment, employees/workers can avail treatment in empanelled hospitals.
2. In case of Other than Permanent Employees/workers i.e. Trainee/Project Engineers, Health Insurance premium is borne by the Management. In case of contract workmen, they are covered under ESI & Medical Insurance. However, in case of emergency treatment, they can avail medical facilities in Medical Centre of the Unit.
3. Day care facilities are extended to women employees in accordance with the Factories Act, 1948. Further, male employees who are single parents are also extended day care facility.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2025-26	FY 2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company*	1.23%	1.24%

Note:
(1) Cost incurred on wellbeing measures includes welfare expenses and contribution to BERECHS
(2) Total revenue of the company includes revenue from operation.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26: No. of employees covered as a % of total employees	FY 2025-26: No. of workers covered as a % of total workers	FY 2025-26: Deducted and deposited with the authority (Y/N/N.A.)	FY 2024-25: No. of employees covered as a % of total employees	FY 2024-25: No. of workers covered as a % of total workers	FY 2024-25: Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	NA	100	100	NA
ESI	NA	NA	NA	NA	NA	NA
Others - a) Post-Retirement Medical Benefit	100%	100%	NA	100%	100%	NA
Others - b) Superannuation Pension Scheme	100%	100%	NA	100%	100%	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. BEL has implemented the provisions of the Rights of Persons with Disabilities Act, 2016. In alignment with these provisions, BEL works towards creating a disabled friendly work environment to ensure accessible infrastructure (ramps, elevators, accessible restrooms, etc.) along with flexibility in work timings and providing amenities such as free transport, etc.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

BEL is committed to fostering a diverse and inclusive workplace that upholds the principles of equality, dignity and respect for all employees. Our commitment ensures that recruitment, training, promotion and all other employment practices are free from discrimination in any form. Further, BEL ensures compliance to Rights of Persons with Disabilities Act, 2016. Relaxations and concessions are extended to PwBDs in recruitment as per the Government directives.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees: Return to work rate	Permanent employees: Retention rate	Permanent workers: Return to work rate	Permanent workers: Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. BEL has Employee Grievance Redressal and Monitoring System (e-GRAMS) for redressal of grievances and covers all workers. The system is easily accessible to all workmen on the intranet portal of the Company and enables employees to register their grievances online. Grievance pertaining to payment of salary, leave, transfer, promotions, seniority, work assignment, designation, non-extension of any welfare amenities provided under law or benefit due under the rules etc. affecting an individual employee can be raised on e-GRAMS portal. Timelines have been clearly defined at each level for prompt redressal of grievances. The system ensures transparency and accountability by allowing regular monitoring of the status of the grievance.
Other than Permanent Workers	Yes. The HR department is the nodal point for temporary workmen to redress their grievances related to work, working conditions, payment of wages, complaints related to contractor, etc.,
	The HR department takes up the grievance with the concerned stakeholders namely, departmental heads, Unit / SBU Heads, contractors, etc., to ensure speedy redressal and closure.
Permanent Employees	Yes. BEL has Employee Grievance Redressal and Monitoring System (e-GRAMS) for redressal of grievances and covers all Employees. The system is easily accessible to all employees on the intranet portal of the Company and enables employees to register their grievances online. Grievance pertaining to payment of salary, leave, transfer, promotions, seniority, work assignment, designation, non-extension of any welfare amenities provided under law or benefit due under the rules etc. affecting an individual employee can be raised on e-GRAMS portal. Timelines have been clearly defined at each level for prompt redressal of grievances. The system ensures transparency and accountability by allowing regular monitoring of the status of the grievance.
Other than Permanent Employees	Yes. The HR department is the nodal point for temporary employees to redress their grievances related to work, working conditions, remuneration, etc.
	The HR department takes up the grievance with the concerned stakeholders namely, departmental heads, Unit / SBU Heads, etc., to ensure speedy redressal and closure.

Note: The well-structured grievance redressal system provides employees ample opportunity to address and resolve the grievances. The system consists of a multi-level escalation matrix to ensure that employee concerns are heard, addressed fairly and resolved in a timely manner.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**7,074**	**5,744**	**81.20**	**8,844**	**7,823**	**88.46**
- Male	5,610	4,503	80.27	6,893	6,089	88.34
- Female	1,464	1,241	84.77	1,951	1,734	88.88
Total Permanent Workers (Non-Executives)	**2,346**	**2,018**	**86.02**	**2,355**	**2,151**	**91.34**
- Male	1,784	1,560	87.44	1,743	1,653	94.84
- Female	562	458	81.49	612	498	81.37

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation*	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	5,610	5,262	93.80	3,792	67.59	6,893	4,042	58.64	3,919	56.85
Female	1,464	1,381	94.33	1,095	74.80	1,951	1,114	57.10	1,170	59.97
Total	**7,074**	**6,643**	**93.91**	**4,887**	**69.08**	**8,844**	**5,156**	**58.30**	**5,089**	**57.54**
Workers										
Male	1,784	1,463	82.01	1,154	64.69%	1,743	1,043	59.84	1,042	59.78
Female	562	494	87.90	404	71.89%	612	306	50.00	277	45.26
Total	**2,346**	**1,957**	**83.42**	**1,558**	**66.41**	**2,355**	**1,349**	**57.28**	**1,319**	**56.00**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	5,610	5,610	100	6,893	6,893	100
Female	1,464	1,464	100	1951	1951	100
Total	**7,074**	**7,074**	**100**	**8,844**	**8,844**	**100**
Workers						
Male	1,784	1,784	100	1,743	1,743	100
Female	562	562	100	612	612	100
Total	**2,346**	**2,346**	**100**	**2,355**	**2,355**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system?

Yes, Occupational Health and Safety Management System (ISO 45001:2018) is implemented in eight (8) Units of the Company viz, Bangalore Complex, Ghaziabad Complex, Hyderabad Unit, Chennai Unit, Navi Mumbai Unit, Pune Unit Panchkula Unit and Kotdwar Unit out of nine (9) Units and is in progress at remaining one Unit of the Company i.e Machilipatnam Unit.

The following aspects are covered as part of the OHSMS:

- EHS policy
- Documents like HS manuals, Operational Control procedure (OCP), Work instructions, emergency preparedness plan, etc.
- Internal Auditor training and audits
- Plant level safety committee meetings

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

'Hazard Identification and Risk Assessment' (HIRA) process is used to identify work related hazards and the HIRA document is maintained and audited periodically.

Safety Officers and Safety Committee members identify hazards and assess risks during plant inspections, surveys and audits.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Yes. Apart from the statutory Plant level Safety Committee, Divisional 'SHE' Committees are formed. These committees consist of workers, who report the work related hazards. These committees meet once in a month, discuss and solve safety issues at the Unit/SBU/divisional level. Another method to report hazards is through 'Near Miss' formats which are made available in all departments. The workers are sensitized to inform Safety Engineering/HR department regarding hazards and unsafe work conditions.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes. All employees/workers of BEL are covered under a comprehensive Medical Scheme which provides health care to employees and their dependent families. In addition, BEL Medical Centres in bigger Units provide basic medical care to employees and their dependant families. Further, as a part of Preventive Health Care, employees/workers in the age group of 40 years and above are required to undergo medical check-up periodically.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

BEL gives utmost importance to safety and health of all the workers in the organisation. The Health and Safety policy clearly states and commits to provide safe working environment and healthy workplace to all its employees. BEL strictly complies with all the statutes and regulations with respect to safety and health, viz. the Factories Act 1948, etc.

The Safety Committee meetings with Workers' representatives are conducted regularly for monitoring safety and health as per statutory pre-requisites. The statutory medical examination of workers deployed in hazardous processes is periodically conducted.

Industrial safety training is conducted periodically for employees, contract staff and trainees. In addition, Safety Audits and Plant safety inspections are carried out at regular intervals.

Eight (8) viz, Bangalore Complex, Ghaziabad Unit, Hyderabad Unit, Chennai Unit, Navi Mumbai Unit, Pune Uni, Panchkula Unit and Kotdwara Unit out of nine (9) Units are ISO 45001-2018 Occupational Health and Safety Management System (OHSMS) certified.

The following measures taken by the entity to ensure a safe and healthy workplace:

- Provisions for adequate ventilation, lighting, machine guards and exhaust systems at the workplace.
- Provision of drinking water, rest rooms and first aid centres.
- Provision of personal protective equipment (PPE), wherever necessary.
- Awareness on Safety created through display of signage, precautionary boards at prominent locations and organizing trainings on safety, health and first aid.
- Implementation of Safety Work Permit Systems to ensure safe work practices in high risk areas.
- Implementation of OSHMS & EMS.
- Periodic health check-up to monitor the health of employees.
- Celebration of National safety Day by displaying safety banners, administration of safety pledge and displaying safety awareness posters, etc to promote the culture of safe work practices.
- Conducting Fire Mock Drills periodically.
- Presence of effective emergency preparedness and response plan.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	21	2	Resolution of pending complaints is in progress	172	22	All the 22 pending complaints are closed during 2025-26
Health & Safety	49	5	Resolution of pending complaints is in progress	63	10	All the 10 pending complaints are closed during 2025-26

14. Assessments for the year:

	%of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No high consequence injuries/incidents or significant risks.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:

(A) Employees (Y/N) - Yes

(B) Workers (Y/N) - Yes

BEL has a policy in place to support the families of deceased employees through financial, medical and educational assistance / skill development, etc., to help them mitigate the hardship and to cope with the adverse circumstances.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Payments are made to the Contractors after ensuring remittance of statutory dues to the concerned authorities by verifying deposit/remittance Challans submitted along with bills.

3. Provide the number of employees / workers having suffered high consequence workrelated injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   All employees who are due for retirement are provided training on financial planning and holistic well-being to help them transition to purposeful post-retirement life.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Not Applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   The Company has a robust system for the identification of key stakeholders. Stakeholder engagement is an ongoing and well-defined process. For each category of stakeholder, the company has designated functional departments with identified company representatives to interact with correspondent stakeholders at different hierarchical levels with stakeholder counterparts, to understand and address their requirements and expectations and collaborates with them for creating shared value. The Company has built constructive relationship with all its stakeholders based on mutual trust, transparency, ethics, responsibility and accountability. Open communication channels and dialogue process with stakeholders along with their feedback on various issues concerning company's operations and shareholders expectations has enabled us to establish sustainable relationships with the stakeholders. Apart from Customers, Shareholders, Employees, Suppliers, Bankers, Collaborators and JV Partners, Government, Regulatory & Statutory Bodies and Auditors, all community members in the vicinity of the location of the plant/Divisions of the Company are considered as key stakeholders of the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Letters, Meetings, Webinars, Workshops	Scheduled / as and when required	To understand customer requirements; Regarding technical, commercial matters, Product portfolio, product life cycle support and various issues related to products being supplied by the Company
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publications, Annual Reports	As and when required	Shareholder's meeting and Resolution of grievances if any.
Employees	No	Internal Newsletters and Website, in-person meetings	Periodic and as and when required	Communication to align with company's vision, values and goals, information on Company activities, customer requirements, compliance requirements, matters related to employee welfare measures
Industry bodies, Regulators	No	Email, Letters, Meetings	Meeting as and when required	Compliance and Risk Management, Knowledge sharing and best practices, Industry Representations to Ministries etc and feedback /comments on policies and procedures affecting the Industry/ company; Compliance Reporting adhering to rules and regulations.
Communities	No	As needed	As and when required	Communicate the purpose of the business operations and performance of the company and other related information of interest to the concerned communities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company interacts with various stakeholders through committees of the Board viz. CSR Committee, Risk Management and ESG Committee, R&D Committee & Capital Investment Committee, Audit Committee and other Management Committees constituted for the purpose.

   The company processes involve formal interaction mechanisms to ensure transparency, accountability and the integration of feedback from government, suppliers, employees, and shareholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. The Company continuously engages with its stakeholders to build and sustain relationships enabling the Company to be informed of their expectations with changes in environment and societal needs. The structured approach of engagement methods is covered in Stakeholder Engagement section of Integrated Annual Report. CSR projects undertaken in the areas of Education, Health Care, Skill development, Sanitation, renewable energy etc are based on inputs received from stakeholders. Stakeholders requirements and expectations are reviewed by the committees of the Board and Directions of the Board are implemented in the policies and activities of the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company focuses on development, institution building, and sustainability-related initiatives for empowering marginalised and underprivileged communities for inclusive growth and equitable societal development. The majority of CSR projects are undertaken for vulnerable/marginalised stakeholder groups. The Company has rolled out focussed interventions to augment health infrastructure in Government Hospitals and make available mobile modern healthcare services at the door-step of the rural populace. These include donation of Mobile Mini Hospitals, Mobile cancer detection Units and diagnostic facility units, assistive devices such as tricycles, motorized tricycles, crutches, hearing aids, braille kits etc for persons with disabilities; promoting vocational skill training to enhance the employability of the youth from marginalized groups.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees covered		Total (C)	No. of employees covered	
		No. (B)	% (B/A)		No. (D)	% (D/C)
Employees						
Permanent	7,074	6,673	94.33%	8,844	872	9.86%
Other than Permanent	5,370	1,854	34.53%	9,480	438	4.62%
Total Employees	**12,444**	**8,527**	**68.52%**	**18,324**	**1,310**	**7.15%**
Workers						
Permanent	2,346	1,973	84.10%	2,355	228	9.68%
Other than Permanent	6,761	450	6.66%	5,559	198	3.56%
Total Workers	**9,107**	**2,423**	**26.61%**	**7,914**	**426**	**5.38%**

Note: BEL ensures due diligence for human rights in all its processes and complies to relevant statutes / Government directives pertaining to Equal Opportunity, Diversity & Inclusion, Equal Remuneration, Prevention of Sexual Harassment, Right to Information, Anti-corruption, etc.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**7,074**	**-**	**-**	**7,074**	**100**	**8,844**	**-**	**-**	**8,844**	**100**
Male	5,610	-	-	5,610	100	6,893	-	-	6,893	100
Female	1,464	-	-	1,464	100	1,951	-	-	1,951	100
Other than permanent	**5,370**	**-**	**-**	**5,370**	**100**	**9,480**	**-**	**-**	**9,480**	**100**
Male	4,031	-	-	4,031	100	7,182	-	-	7,182	100
Female	1,339	-	-	1,339	100	2,298	-	-	2,298	100
Workers										
Permanent	**2,346**	**-**	**-**	**2,346**	**100**	**2,355**	**-**	**-**	**2,355**	**100**
Male	1,784	-	-	1,784	100	1,743	-	-	1,743	100
Female	562	-	-	562	100	612	-	-	612	100
Other than permanent	**6,761**	**-**	**-**	**6,761**	**100**	**5,559**	**-**	**-**	**5,559**	**100**
Male	5,502	-	-	5,502	100	4,224	-	-	4,224	100
Female	1,259	-	-	1,259	100	1,335	-	-	1,335	100

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	No.	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	83,77,695	-	-
Key Managerial Personnel	1	45,14,234	-	-
Employees other than BoD and KMP	10,785	11,74,662	3,057	7,89,443
Workers	1,781	10,72,339	562	14,32,793

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	21.67%	20.56%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The HR Heads and Business Leaders of the Company are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

BEL has established robust systems and mechanisms namely, Internal Complaints Committee (POSH), Employee Grievance Redressal & Monitoring System, Safety, Health & Environment Committee, Whistle Blower Policy and Vigilance set up which have been institutional in redressing grievances related to human rights. Further, the contracts and recruitment policy of BEL prohibit forced / child labour.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	07	03	Pending complaints are under closure	02	00	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	07	02
Complaints on POSH as a % of female employees / workers	0.15%	0.10%
Complaints on POSH upheld	00	00

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   It is ensured that no work-related adverse consequences are meted out to the Complainant by placing the Complainant & Respondent in different work places, in case both were in the same work place. Moreover, the complainant can report any such incidences to the higher authorities for appropriate action.

9. Do human rights requirements form part of your business agreements and contracts?

   Yes. The Company integrates human rights requirements into its legal framework, particularly within international business agreements and service contracts. Our standard contracts with foreign counter parties include mandatory covenants prohibiting the use of child labour and forced labour in any form.

   Furthermore, recognizing that the Right to Privacy is an intrinsic element of the Right to Life, we incorporate stringent Data Protection and confidentiality provisions in our agreements. These clauses ensure that the personal and sensitive information of our stakeholders is protected against unauthorised access, aligning our business practices with global human rights standards.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

11. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 10 above.

    No action was taken since no significant risk / concern was identified.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   The e-Grievance handling mechanism for employees has been designed for speedy redressal of grievance and complaints with respect to employees and addresses complaints related to human rights violations.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   BEL ensures due diligence for human rights in its HR processes viz., recruitment, promotions, training & development, etc., and complies to relevant statutes / Government directives pertaining to equal opportunity, diversity & inclusion, equal remuneration, prevention of sexual harassment, safety & health, working conditions, prohibition of child labour & forced labour, anti-corruption, etc.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes. The infrastructure facilities offer a barrier free access to visitors with disabilities. There are ramps, lifts, rest rooms which are Disabled friendly.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: -

Parameter	FY 2025-26	FY 2024-25
From Renewable sources		
Total electricity consumption (A)	2,35,462.20 GJ	1,39,575.66 GJ
Total fuel consumption (B)	1,077.59 GJ*	1,572.19 GJ*
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**2,36,539.79 GJ**	**1,41,147.85 GJ**
From Non-Renewable sources		
Total electricity consumption (D)	0.00 GJ	88,889.53 GJ
Total fuel consumption (E)	28,168.36 GJ	25,557.23 GJ
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	**28,168.36 GJ**	**1,14,446.76 GJ**
Total energy consumed from Renewable and Non-Renewable sources (A+B+C+D+E+F)	**2,64,708.15 GJ**	**2,55,594.61 GJ**
Revenue from operation	₹27,479.63 Crore	₹23,658.01 Crore
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	9.63 GJ/ Crore	10.80 GJ/ Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	19.59 GJ/million USD	22.32 GJ/ million USD
Energy intensity in terms of physical output	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

* Renewable fuel in the form of biogas generated from food waste in Bangalore Complex.

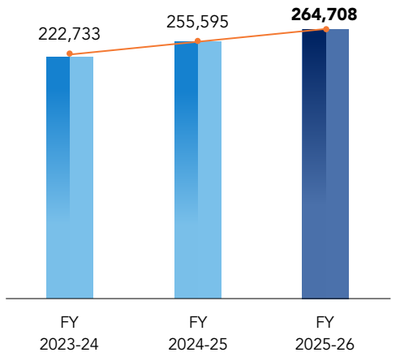
Notes:

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

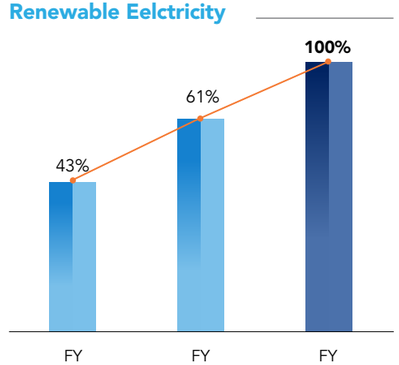
b. As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated 20 December 2024 - Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

Total Energy Consumption (in GJ)



Total Energy Consumption (in GJ) Trend Line

Increase in Reliability on Renewable Eelctricity



Increase Reliability (%) Trend Line

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	45,886.00	21,821*
(ii) Groundwater	8,77,667.19	9,40,226
(iii) Third party water	6,13,460.00	4,85,157
(iv) Seawater / desalinated water	0	0
(v) Others (Canal water)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**15,37,013.19**	**14,47,204**
Total volume of water consumption (in kilolitres)	15,34,313.19	14,41,204
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	55.83 KL/ Crore	61.17 KL/ Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	113.57 KL/million USD	125.88 KL/million USD
Water intensity in terms of physical output	-	-
Water intensity (optional)- the relevant metric may be selected by the entity	-	-

* Canal water consumption was added in Others for the FY 2024-25. However, it has been shifted to Surface Water section for making it consistent with FY 2025-26 data.

Notes:

a. As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY24-25 have also been revised.

b. As per the SEBI Guidance Note on BRSR, we have considered *Water consumption" = Water Withdrawal – Water Discharge. Accordingly, the previous year figures have also been revised to reflect the methodology recommended by the SEBI guidance notes for Business Responsibility & Sustainability Reporting format.

c. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilo litres)		
(i) To Surface water	Nil	Nil
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	Nil	Nil
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	Nil	Nil
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment *	2,700.00	5,700.00
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment*	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**2,700 KL**	**5,700 KL**

* 3,50,807.56 KL of treated domestic effluent reused for horticulture applications and 37,719.00 KL of treated industrial effluent reused for process applications.

** In FY 2024-25, wastewater reuse (horticulture and industrial processes) quantities were disclosed under the "Others" category of water discharged. Upon review, it was determined that these volumes represent internal reuse/recycling of treated water and do not constitute discharge to external recipients or the environment. Accordingly, to improve transparency and align the disclosure with the intent of BRSR water management reporting, these quantities are presented separately as a note and excluded from the water discharged figures for the current reporting year.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm^3	16.8	22.5
SOx	mg/Nm^3	10.6	10.5
Particulate matter (PM)	mg/Nm^3	37.1	42.9
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	mg/Nm^3	2.8	2.6
Hazardous air pollutants (HAP)	-	-	-
Others –(Pb, Acid Fumes, Acid mist, Solvent vapour)	mg/Nm^3	3.1	8.1

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	8,109.76*	9,204.38*
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	0.00**	17,926
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT/ Crore	(Measured in terms of per crore rupees of turnover) 0.29 MT/ Crore	(Measured in terms of per crore rupees of turnover) 1.14 MT/ Crore
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / revenue from operations adjusted for PPP)	MT/million USD	0.60	2.37
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity	-	-	-

* Source of emission factors from IPCC 4th assessment report.

** Scope 2 emissions zero, since only green power from company owned wind and solar power plants and purchase of green power from DISCOMs is consumed for operations.

*** In addition to Scope 1 emission mentioned above, the emission from biogenic sources for the year 2025-26 is 48.19 MT of CO2 equivalent (from Biogas Plant).

Note:

a. As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated 20 December 2024 - Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY 2024-25 have also been revised.

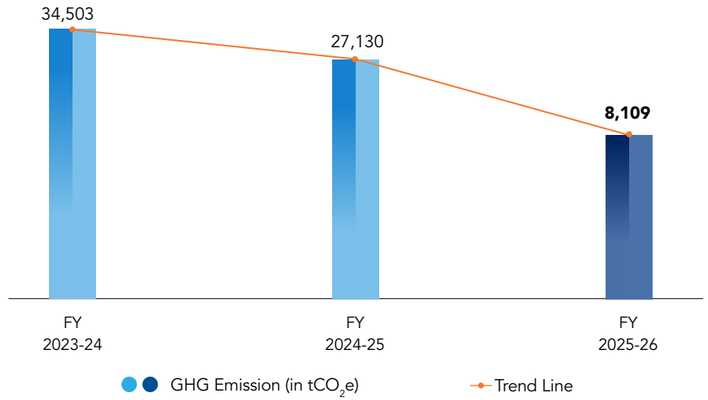
b. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. BEL has set a target to achieve Net Zero Carbon Emission by 2035. Several initiatives have been undertaken to reduce the GHG emissions and achieve the target such as retrofitting of existing air conditioners with refrigerants having less Global Warming Potential (GWP), retrofitting of Diesel Generators with Dual-fuel system, switch-over from PNG cooking to induction-based cooking in the canteens and encouraging the use of Electric vehicles. As a precursor to the initiative, BEL achieved RE100 status in the last quarter of 2024-25, i.e., all the operations of the company is being done by renewable energy, reducing our Scope 2 emissions to zero.

GHG Emission - Scope 1 + Scope 2 (in tCO_2e)



9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	93.71	42.70
E-waste **(B)**	162	122.73
Bio-medical waste **(C)**	2.39	2.72
Construction and Demolition Waste **(D)**	-	-
Battery waste **(E)**	44.95	96.15
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**		
i. Used oil & coolant oil	20.32	11.53
ii. Plating metal sludge /Paint sludge / ETP sludge	4.86	27.52
iii. Spent etching chemicals and solvents	28.68	9.18
iv. Others	39.48	77.15
Subtotal (G)	**93.34**	**125.38**
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
i. Metal scrap	615.88	534.17
ii. Non metal scrap	560.47	279.78
iii. Other scraps	42.76	102.18
Subtotal (H)	**1,219.11**	**916.13**
Total (A+B + C + D + E + F + G + H)	**1,615.50**	**1,305.81**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.058 tons/crore	0.055 tons/crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / revenue from operations adjusted for PPP)	0.12 tons/million USD	0.12 tons/million USD
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		NA
(i) Recycled *		

Parameter	FY 2025-26	FY 2024-25
• Plastic waste	76.56	85.05
• E-waste	133.00	89.16
• Battery waste	32.84	86.14
• Other Non-hazardous waste	1,049.37	1,217.8
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**1,291.77**	**1,478.15**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste (Plastic waste)		
(i) Incineration	-	-
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**
Category of waste (E-waste)		
(i) Incineration	-	-
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**
Category of waste (Bio-medical waste)		
(i) Incineration	2.39	2.70
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	**2.39**	**2.70**
Category of waste (Battery waste)		
(i) Incineration	-	-
(ii) Land filling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**
Category of waste (Other Hazardous waste)		
(i) Incineration	0	0
(ii) Land filling	11.79	52.24
(iii) Other disposal operations	80.84	84.47
Total	**92.63**	**136.71**

Note:

a. As per the SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated 20 December 2024 - Industry Standards Note on Reporting of BRSR Core, we have given the PPP intensity ratio in terms of Million USD. Accordingly, PPP intensity figures for FY 2024-25 have also been revised.

b. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, independent assurance has been carried out by Sustainability Actions Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Hazardous Waste Management: When handling with hazardous waste, the principle of reduction, reuse, recovery and recycling is practiced. The production of hazardous waste has been reduced at the process level by introducing appropriate chemicals and procedures that produce less hazardous sludge in the wastewater detoxification process, in addition to the use of cleaner technologies. The use of sodium hypochlorite, and sodium bisulphate in place of lime, bleach powder and iron sulphate help reduce the amount of hazardous sludge. In addition, the introduction of cyanide-free galvanizing and copper plating processes have helped reduce the production of hazardous waste. In the previous year, BEL achieved continual improvement by the elimination of IPA use in HF Oxide etching process in the solar plant. These initiatives resulted in generation of less hazardous waste. Bharat Electronics has set up a system for the safe handling of hazardous waste by creating an exclusive, well-protected place for the safe storage of hazardous waste. BEL has tied up with the State Pollution Control Board's Treatment, Storage & Disposal Facility operators to dispose of solid hazardous waste that can be land filled. Recyclable waste is handed over to authorised facilities of the Pollution Control Board for scientific processing and recycling. This system effectively prevents pollution from hazardous waste.

E- Waste Management: Electronic waste that is generated during the manufacturing of products is segregated, stored and handed over to authorised agencies of the Pollution Control Board for scientific processing, recovery and recycling. End of Life electronic waste such as computers and other electronic items are also handed over to authorised agencies of the Pollution Control Board for scientific processing, recovery and recycling. End of Life e-waste products such as electronic voting machines are received back under Extended Producer responsibility initiative and are disposed scientifically. Users of electronic products receive handling and disposal guidelines for the safe disposal of electronic waste after expiry. Efforts are being made to reduce the hazardous component in electronic products by introducing as many RoHS-compliant components as possible.

Solid Waste Management: BEL has put in place a source segregation system for proper handling of waste. Biodegradable waste such as food waste and green waste of colony is composted through the 1.0 tonne organic waste converter with an average of 0.45 to 0.6 Tons per day, wherein manure is generated. The manure so generated is used for horticulture application in the BEL Estate area. The green waste generated in BEL is subjected to natural composting. Leaf shredding machine is available for reduction of the size of green waste. In addition, the food waste generated in the factory canteen is transported to Bio-Methanation plant on daily basis. The anaerobic biogas plant is based on UASB technology with a capacity of 2.0 tonnes and leads to a saving of about 50 SCM PNG per day in cooking. Land fillable waste is sent to a well-established solid waste treatment facility for processing.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Yes/No) If no, the reasons thereof and corrective action taken, if any.
BEL does not have any operations/ offices in/ around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. There are no projects undertaken for EIA assessment during FY 2025-26.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law /regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes. BEL is compliant with all the applicable environmental law/ regulations/ guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules there under.				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Assessment will be taken up	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional)- the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   BEL operates in industrial areas/estates, hence its influence on biodiversity is very minimal.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

SL. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	RoHS-compliant components and processes are introduced to comply with the European & other international directives	Restriction of Certain Hazardous Substance (RoHS) compliant processes have been introduced into the PCB manufacturing and metal finishing processes. 1) Environmentally friendly materials have been introduced, such as low smoke halogen cables, low VOC metal finish (polyurethane), cyanide-free silver, zinc and copper plating, and trivalent chromium-based chromate conversion coating. 2) A technical series of document have been published on RoHS compliant cadmium plating alternatives for fasteners and screws. 3) New standard is released for environmental friendly automated cleaning process of Printed wiring assembly using Aqueous based cleaner replacing the use of Iso-propyl Alcohol.	This helps spread awareness and compliance of RoHS compliant alternatives among BEL's various D&E and quality engineers.
2.	Energy conservation/ efficient measure	1) Purchase of green energy to meet additional power requirement other than captive RE power. 2) Installation of cumulative 13.9 MW of wind plants in Davanagere & Hassan, Karnataka and cumulative 2.8 MW Rooftop Solar Power Plants at BE-BG. 3) All lightings replaced with LED lights in factory & estate areas. 4) Replacement of reciprocating air compressors with energy efficient oil free screw air compressors. 5) Old Air Conditioners replaced with energy efficient rated ACs. 6) Cooling towers replaced with IE-3 rated motor cooling towers. 7) Installation of VFDs for existing cooling towers. 8) Reduction in use of fossil fuel energy: Installation of 500 KWP solar power plant, produced 2.29 TJ energy	BEL is certified for ISO 50001: Energy Management System BEL has achieved RE-100 status.

SL. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3.	Water Conservation	1) Installed Roof top rainwater harvesting system for reuse of water for RO generation; this enables every year to collect 500-600 m3 of rain water of low TDS which in turns result in use of saving about 800-1000 m3 of fresh water. 2) Innovative recharging of bore wells enable us to collect the runoff water adjacent to the building and near to the borewells for facilitating recharging of aquifers. 53 recharge pits have been created in BG campus of 685 acres. Overflow from recharging pit is diverted to large-scale rainwater harvesting reservoir having capacity of 170 million liters with expected annual yield of around 234 million liters. 3) Re-use of tertiary treated wastewater for horticulture application in order to conserve fresh water resource. 4) Several water conservation projects like automation of desmearing process for demand based water supply, automation of bore well water drawing system, level controller for water tanks, efficient dish washing system and the use of swill water with air agitation are implemented for conserving water. Implementation of these water conservation projects have led to a consistent reduction of water consumption each year. 5) Installation of sewage treatment plant of 300 KLD at Kotadwar unit for achieving Zero liquid discharge	Bangalore Complex has achieved "Water Positive Status" through water conservation measures adopted.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. BEL being a premier Navratna defence PSU recognises the importance of business continuity in its business and has put in place policies and complies with all the regulations stipulated by the Govt. to ensure mission critical operations continue in the event of an interruption with respect to the chemical disaster and fire hazard. BEL has well laid down procedures for handling, storage, and usage of various chemicals which are used for various applications. On-Site emergency plan as per the Factories Act 1948, Sec 41B (4) is in place to prevent any disaster arising inside BEL Bangalore Complex and the following practices adopted,

1. Chemical Handling and awareness programs are conducted for workers
2. Chemical Storage and its compliance is reviewed and updated
3. Chemical & Fire hazard related Mock drills are conducted for handling emergency
4. Safety Data Sheet for every chemical is made available at the work area.

Regular training on chemical handling to all the workers by both internal and external faculties are being imparted. Safety inspection and audit for the chemical areas are conducted by safety officers and by the external auditors.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No negative social and environmental impacts found on the value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not applicable.

8. How many Green Credits have been generated or procured:

a. By the listed entity - Nil.

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners" - Nil.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company has taken Corporate Membership with ten (10) Nos. of trade and industry chambers / associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	The Associated Chambers of Commerce of India (ASSOCHAM)	National
4	Electronics Industries Association of India (ELCINA)	National
5	Society for Defence Technologists (SODET)	National
6	Society of Indian Aerospace Technologies & Industries (SIATI)	National
7	Society of Indian Defence Manufacturers (SIDM)	National
8	Indian Space Association (ISpA)	National
9	India Electronics & Semiconductor Association (IESA)	National
10	Standing Conference of Public Enterprises (SCOPE)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others please specify)	Web Link, if available
Nil	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web-link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY 2025-26 (In ₹)
No rehabilitation and resettlement projects have been undertaken.						

3. Describe the mechanisms to receive and redress grievances of the community.

Centralised Public Grievance Redress and Monitoring System(CPGRAMS) under Department of Administration Reforms & Public Grievances, Government of India is an online platform available to the community 24X7 to lodge grievances to the Public authorities on any subject related to service delivery.

The grievance is forwarded to BEL in CPGRAMS Portal for necessary action through designated Grievance Redressal Officer who takes appropriate steps for resolution. Once the grievance is addressed, BEL sends suitable reply to the Complainant and uploads resolution details on the CPGRAMS Portal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	44.57%	33.87%
Sourced directly from within the district and neighbouring districts	65.00%	60.14%

5. Job creation in smaller towns Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	Nil	Nil
Semi-urban	Nil	Nil
Urban	9.65%	10.48%
Metropolitan	90.35%	89.52%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount spent (In ₹)*
1	Karnataka	Raichur, Yadgir	115,774,000
2	Telangana	Bhadradri Kothagudem	26,939,000
3	Odisha	Malkangiri	23,620,000
4	Tamil Nadu	Ramanathapuram	10,150,000
5	Andhra Pradesh	Y.S.R Kadapa	6,560,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

Yes

(b) From which marginalized /vulnerable groups do you procure?

SC, ST, Women Entrepreneurs and Start-ups.

(c) What percentage of total procurement (by value) does it constitute?

8.6%.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit Shared (Yes / No)	Basis of Calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable	Not Applicable	Not Applicable

6. Details of beneficiaries of CSR Projects:

CSR sectors	No of Projects	No. of Persons benefitted from CSR Projects (approx.)	% of Beneficiaries from vulnerable and marginalized groups approximately
Healthcare	22	20,57,076	80
Skill Development	2	2,392	75
Education	3	32,251	85
Measures for Armed Veterans	2	420	70
Rural Development	1	50,000	70
Women Empowerment	1	80	85

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   BEL has a central Complaint Management system, as a part of its customer Relationship Module (CRM module) in SAP system, wherein customers can call up on toll Free number / send fax or email and register their complaints. The Toll free Number/ Fax number / email address is made available to customers at the time of delivery of products / system. The number is also shared with the users by field engineers of BEL to make it easy for them to register their complaints directly.

   The complaints once registered, are sent to the respective product support departments who then take suitable and necessary action to rectify the faults and update the system with the progress on each complaint. The progress status is shared with the customer on the phone / email or through the official channels of customers.

   In addition to this we have established a network of Product Support Centres Pan India (RPSCs/WFS/LC) which act as first point of contact for complains resolution.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil		Nil	Nil	Nil
Advertising	Nil	Nil		Nil	Nil	Nil
Cyber-security	Nil	Nil		Nil	Nil	Nil
Delivery of essential services	Nil	Nil		Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil		Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil		Nil	Nil	Nil
Other	18,344	3,602	**	15,278	4,182	**

**These are the complaints received / pending resolution in respect of non-functioning of the products / sub systems supplied by BEL from across its SBUs / Units.

**Some of the complaints remain unresolved at the end of the year due to non availability of spare part / sub system from the original supplier, delay in supply due to supply-chain issues or obsolescence of electronic items for which BEL has to find an equivalent alternative / design a Form Fit equivalent which may take time.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.

   Yes. Cyber Security Policy of the Company is classified as document for internal circulation.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Robust system have been put in place to identify the issues faced by the customers and ensures timely resolution of the same. Efforts are made to continually strengthen the quality assurance system, improve delivery timelines and address issue of safety and security and disposal as per the applicable law of the country.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches - Nil.

   b. Percentage of data breaches involving personally identifiable information of customers - Nil.

   c. Impact, if any, of the data breaches - NA.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Details of BEL's products and Services can be accessed from its website www.bel-india.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Company complies with the regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The company's communications are aimed at enabling customers to make informed purchase decisions. In addition User manuals are also provided along with each equipment for providing support to customer in using equipment. The Company also makes efforts to educate customers on responsible usage of its products and services through

   a. Training programs for the end users as well as repair technicians at customer workshops.

   b. During customer meets and other forums with senior officers of the customer departments where customer concerns w.r.t. delivery, product improvements, new technologies, improved usage mechanisms are addressed.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   All the contracts have Force majeure clause wherein BEL informs its customers in writing well in time about impending disruption of service / delay in delivery etc. due to conditions like flooding, pandemics, supply chain disruptions due to war, obsolescence etc.

   Further obsolescence bulletin are also issued annually to all concerned stakeholders for bringing about clarity on obsolescence of the equipment/components.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. All the essential details of the product like Product name, BEL part number, serial number, date of manufacture/quality control etc. are displayed on the product being delivered to the customer. This information is etched on the sticker which is either pasted / screwed onto the product body at a prominent place

   Company carries out yearly Customer Satisfaction survey covering the following customer segments:

   a. Ordering customer segment / procurement department

   b. Execution customer segment i.e. agencies involved in inspection of the products being manufactured at different stages

   c. End User segment i.e. users involved in installation and commissioning of the products and systems, usage of the systems during its active life and those involved in maintaining the system during its active life

   The feedback, thus received, is analysed by the senior management of the company and suitable corrective action is taken through measures adopted and executed by the heads of the manufacturing units.

   Since the customers of the company are spread PAN India, the survey covers all the locations where customer departments are located.

Bengaluru
1 August 2026

For and on behalf of the Board

Manoj Jain
Chairman & Managing Director

To,
The Board of Directors
Bharat Electronics Limited
Outer Ring Road, Nagavara,
Bengaluru -560045

Independent Assurance Statement

Scope and Approach

Sustainability Actions Private Limited ("SAPL") has been engaged by the management of Bharat Electronics Limited ("BEL" or "the Company"), to perform an Independent Reasonable Assurance of the Company's Business Responsibility and Sustainability Report ("BRSR") Core Matrices (refer to annexure 1) for FY 2025-26.

Reporting Criteria for Reasonable Assurance Opinion

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
BRSR Core Attributes (Refer to Appendix I)	From 1 April 2025 to 31 March 2026	Reasonable Assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI • Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) • SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core. • SEBI/HO/CFD/PoD-1/P/CIR/2025/42 dated 28th March 2025 - Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosures on green credits.

Reasonable Assurance Opinion

Based on our review and procedures followed for a reasonable level of assurance and evidence obtained, we are of the opinion that, the information covered by Reasonable Assurance in the Business Responsibility and Sustainability Report for the FY 25-26 is prepared, in all material respects, in accordance with the Reporting Criteria and the Reporting Boundary as set out in Section A: General Disclosures 13 of the Business Responsibility and Sustainability Report.

Basis for Opinion and Conclusion

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (ISAE - Revised) 3000. As part of our assurance process, a multi-disciplinary team of sustainability and assurance specialists reviewed the disclosures presented within the Report and referenced information. The procedures conducted were based on professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluation of quantification methods and reporting policies, analytical procedures, and reconciliation with underlying records.

We interviewed with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.

Given the circumstances of the engagement, in executing the procedures outlined above, we:

- Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes.
- Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries.

- Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.
- The audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Management Responsibilities

The Company's Management is responsible for identification of key aspects, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes:

- The design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of BRSR Core and other Matrices, which are free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria.
- Ensuring compliance with law, regulation or applicable contracts.
- Making judgements and estimates that are reasonable in the circumstances.
- Identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the reporting criteria.

Independence and Quality Control

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in BRSR provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our assurance engagements are based on the assumption that the data and information provided by the company to us as part of our review have been provided in good faith and free from material misstatements. We were not involved in the preparation of any statements or data included in the Report except for Assurance Statement. Our firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We apply SQC 1 for quality control in assurance and related services

Our Responsibility

Our responsibility is to express a reasonable assurance opinion and limited assurance conclusion on the identified sustainability indicators, based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to obtain assurance about whether, in all material respects, the Identified Sustainability Subject Information is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Inherent Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. The assurance scope excludes:

- Any disclosure other than those mentioned in the scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
- The reported financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial data from the Annual Report.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

For and behalf of Sustainability Actions Pvt. Ltd.
(CIN - U74999HR2021PTC093811)

Saket Sinha
(Director)

Place: Gurgaon
Date: 27 July 2026

Annexure I – BRSR Core attributes - Reasonable assurance for financial year 2025-26

BRSR Core Indicator	Description of Indicator
Section C - Principle 1 - E8	Number of days of accounts payable
Section C - Principle 1 - E9	Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties
Section C – Principle 3 - E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
Section C – Principle 3 - E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
Section C – Principle 5 - E3(b)	Gross wages paid to females as % of wages paid
Section C – Principle 5 - E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees and complaints upheld
Section C – Principle 6 - E1	Details of total energy consumption (in Joules or multiples) and its intensity
Section C – Principle 6 - E1	Details of total energy intensity
Section C – Principle 6 - E3	Details of water withdrawal by source
Section C – Principle 6 - E3	Details of water consumption and its intensity
Section C – Principle 6 - E4	Details of water discharged by destination and level of treatment
Section C – Principle 6 - E6	Details of Air Emissions (Other than GHG emissions)
Section C – Principle 6 - E7	Details of greenhouse gas emissions (Scope 1and Scope 2) and its intensity
Section C – Principle 6 - E9	Details related to waste generated by category of waste
Section C – Principle 6 - E9	Details related to waste recovered through recycling, re-using or other recovery operations
Section C – Principle 6 - E9	Details related to waste disposed by nature of disposal method
Section C – Principle 8 - E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India
Section C – Principle 8 - E5	Job creation in smaller towns
Section C – Principle 9 - E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

Independent Auditors' Report

To the Members of Bharat Electronics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **BHARAT ELECTRONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements"). These Standalone Financial Statements include the financial information/statements of the Company's branches at Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai, and Machilipatnam, which have been audited by the respective branch auditors for the year ended March 31, 2026.

In our opinion and to the best of our information and according to the explanations given to us and based on the audit reports provided by the branch auditors, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Financial Statements under the provisions of the Act 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 obtained by us and by the branch auditors referred to in the "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's Response
1	**Revenue recognition** (Including recognition of contract assets, contract cost, and trade receivables) as per Ind AS 115 - Revenue from Contracts with Customers ("Ind AS 115"). (Refer Note 23, 12, 7 to the Standalone Financial Statements respectively). The Company is engaged in the manufacturing of electronic equipment and systems for the defence sector. Due to long term nature of contracts with the customers, various terms of the contracts pertaining to identification of performance obligation, allocation of transaction price and recognition of contract assets, trade receivables and contract costs, involve judgments. Therefore, revenue recognition is considered as Key Audit Matter.	**Our audit procedures included the following:** a. Obtained an understanding and evaluated the design and operating effectiveness of internal controls implemented by the Management with respect to recognition of revenue, contract assets, receivable and contract cost as per Ind AS 115. b Obtained customer contracts on sample basis to evaluate terms of the contract to verify whether the accounting policy adopted by the Company complies Ind AS 115. c. Tested the Management's evaluation of Ind AS 115 and tested on a sample basis Managements working for recognition and measurement of multiple performance obligations and related variable considerations if any. d. In respect of revenue transactions selected on sample basis, we have inspected the underlying documents to verify that the control has been transferred to the customer and the Company has right to consideration. e. In case of contract assets as at year end, we verified on sample basis whether right to consideration is impaired and if so, whether appropriate adjustment in the financial statements is made. f. Tested on sample basis whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation as per the terms of delivery specified in the contract. g. On sample basis verified whether the Company has unconditional right to consideration in respect of trade receivable balances recognised during the year. h. Verified on sample basis whether contract cost recognised during the year is incurred either to obtain the contract or to fulfil contract based on criteria specified under Ind AS 115. i. Verified whether appropriate presentation and disclosure is made in the financial statements.
2	**Recognition and measurement of other Intangible assets, Intangible Assets under development and Expenditure Incurred on Research and development** (Refer Note 4, 5, 30(7) to the Standalone Financial Statements). Total value of : Other Intangible assets is ₹ 49,384 Lakhs Intangible Assets under Development is ₹ 24,566 Lakhs Expenditure incurred on Research and development is ₹ 1,96,093 Lakhs as at 31 March 2026. The Company has significant investments in Other intangible assets, including internally generated assets, intangible assets under development, and expenditure incurred on research and development activities. The accounting treatment of such expenditure involves significant judgment in determining whether the recognition criteria under Ind AS 38 are met, particularly in distinguishing between research and development phases and assessing eligibility for capitalization. Further, determination of useful life, assessment of impairment indicators, and evaluation of recoverability of intangible assets under development involve estimation uncertainty and management judgment. Accordingly, this area has been considered as a Key Audit Matter.	**Our audit procedures included the following:** a. Understood and evaluated the internal controls implemented by the management to ensure compliance with recognition and measurement criteria specified under Ind AS 38. b. Obtained project-specific list of other intangible assets and intangible assets under development to understand nature and align with our audit understanding of the Company's activities and business scope. c. Tested the design and operating effectiveness of internal controls over identification, classification, and capitalization of development expenditure d. Performed audit procedures to verify accuracy and existence of cost capitalised under Other Intangible Assets, Intangible Assets under Development and Cost Incurred under Research and development activities not capitalised due to revenue expenditure. e. Assessing management's basis for classification between research and development expenditure and verifying whether capitalization criteria have been appropriately applied. f. Assessed whether cost capitalised by the Company is in nature of development phase by obtaining technical assessment performed by the Management to evaluate: • Technical feasibility of completing the intangible asset. • Intentions and ability of the Company to complete and use the intangible asset. • Whether intangible asset can generate probable future economic benefit. • Whether availability of adequate technical, financial and other resources to complete the development. • Whether expenditure incurred with respect to development projects can be reliably measured. • Its ability to use or sell the intangible asset. (only for "Other Intangible assets")

Sl. No.	Key Audit Matters	Auditor's Response
		g. Obtained project wise ageing of intangible assets under development to identify projects exceeding the originally estimated costs or time for completion. h. Evaluating and reviewing year-end impairment assessment by Management and conducted audit procedures to evaluate the existence of similar conditions in other projects and assess any financial impact. i. Verified on sample basis that capitalization of Intangible assets under development as Development Cost under Intangible Assets are based on determined future economic benefits/ customer orders/ Letter of Intent, and useful lives are determined based on their availability for Company use. j. Verified whether appropriate presentation and disclosure is made in the financial statements.
3	**Recognition and Measurement of Provisions under Various heads as expenditure for the FY 2025-26** (Refer Note 29 to the Standalone Financial Statements). Total value of : • Provision for Obsolete/ redundant Materials ₹ 7,906 Lakhs • Provision for Doubtful Trade Receivables, Contract Assets, LD, Customer's Claims and Disallowances ₹ 1,11,938 Lakhs • Provision for Doubtful Advances, Claims ₹ 1,184 Lakhs • Provision for Performance warranty ₹ 7,797 Lakhs • Provision for Onerous Contracts ₹ 15,531 Lakhs The Company has recognized significant provisions under various heads including provision for doubtful trade receivables/contract assets, doubtful advances/claims, performance warranty obligations, onerous contracts, and obsolete / slow-moving inventories. The determination of such provisions involves significant management judgment and estimation, about recoverability of advances and claims, estimation of future warranty costs, identification of onerous contracts, and assessment of net realizable value of inventories. These estimates are inherently subjective and are based on historical trends, technical evaluations, contractual terms, and management's assumptions regarding future events. Accordingly, this area has been considered as a Key Audit Matter.	**Our audit procedures included the following:** a) Evaluating the Company's accounting policies for recognition and measurement of provisions for compliance with applicable accounting standards and Companies accounting policies. b) Testing the design and operating effectiveness of internal controls over identification, estimation, and review of provisions. c) Reviewing ageing analysis, subsequent recoveries, and historical trends to evaluate adequacy of provisions for doubtful debts, advances, and claims. d) Examining the basis for provision for performance warranties, including historical claim trends and technical estimates. e) Reviewing contracts to identify onerous obligations and evaluating management's assessment of unavoidable costs versus expected economic benefits. f) Assessing the valuation of inventories, including identification of obsolete/slow-moving items and comparison with net realizable value. Based on the procedures performed, the provisions recognized by the Company are considered reasonable and in compliance with applicable accounting standards, and no material misstatements were observed.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, which is expected to be made available to us after that date. Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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. When we read the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Financial Statements 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 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 Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the branches or business activities within the Company to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such branches included in the Standalone Financial Statements of which we are the independent auditors. For the other branches included in the Standalone Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matter' in this audit report.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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 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.

Other Matters

1. We did not audit the financial statements/financial information of six branches included in the Standalone Financial Statements of the Company whose financial statements/ financial information reflect total assets of ₹ 9,34,003 Lakhs as at 31 March 2026, revenue from operations of ₹ 9,56,207 Lakhs and total profit before tax of ₹ 2,99,972 Lakhs for the year ended on 31 March 2026. The financial statements/ financial information of these branches has been audited by the branch auditors appointed by the Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

2. As on 31 March 2026, the Company's Board of Directors comprises seven Whole-time Executive (Functional) Directors including the Chairman and Managing Director, two Part-time Government (Non-Executive) Directors and three Independent Directors. The composition of Board is not in terms of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 149 of the Companies Act, 2013, due to non-appointment of requisite number of Independent Directors including one Independent Woman Director on the Board of the company by Ministry of Defence, Government of India.

There are six vacancies of Independent Directors, including one Independent Woman Director as on 31 March 2026. All the vacancies were notified in time to Government for filling up and the matter is under consideration of the Ministry of Defence, Government of India.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matters.

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 Act, based on our audit and on the consideration of reports of the branch auditors on the financial statements/financial information of the branches, we give in **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, based on our audit and on the consideration of reports of the branch auditors on the financial statements/financial information of the branches 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 except for the matters stated in the paragraph 2 (j)(vi) below on reporting under Rule 11(g). In case of New York, Singapore and Other offices, not visited by us, the Returns/records received from the said offices have been verified and found to be adequate for the purpose of our audit.

   c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors (Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam) have been sent to us and have been properly dealt with by us in preparing this report.

   d) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   e) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   f) According to the information and explanation provided to us and as per Notification no. GSR 463(E) dated 5 June 2015, Section 164 (2) of the Act – 'Disqualifications for appointment of director' is not applicable to the Company, being a Government Company.

   g) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 2 (b) above and refer to our comment in paragraph 2(j)(vi) below, on reporting under rule 11 (g).

   h) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements.

   i) According to the information and explanation provided to us and as per Notification No. GSR 463(E) dated 5 June 2015, Section 197 of the Act – 'Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits' is not applicable to a Government Company. Accordingly, reporting under section 197 (16) of the Act is not applicable.

   j) 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 and on the consideration of reports of the branch auditors:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 30 (8) (i) and 30 (8) (ii) to the Standalone Financial Statements.

      ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term derivative contracts. Refer Note 21 to the Standalone Financial Statements.

      iii. There has been no delay in amount required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

      iv. (a) The Management has represented to us that, to the best of its knowledge and belief, no funds 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 entities ("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. Refer note 30 (20) (e) to the Standalone Financial Statements.

(b) The Management has represented to us, that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities ("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. Refer note 30 (20) (f) to the Standalone Financial Statements.

(c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause j) (iv)(a) and (iv)(b) above, contain any material misstatement.

v. As stated in Note 30(16) to the Standalone Financial Statements

(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.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) 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 proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the Company, has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes. During the course of our audit, so far it relates to audit trail in respect of transactions, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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 accounts and Standalone Financial Statements of the Company in **"Annexure C"**.

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number: 003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713HAPHVM7678

Dharamshala
19 May 2026

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. a. A. The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company is maintaining proper records showing full particulars of intangible assets.

b. The Company has a regular program of physical verification of its property, plant and equipment by which its property, plant and equipment are verified in a phased manner over a period of three years and in some branches/locations annually. In our opinion, the periodicity of physical verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, a portion of property, plant and equipment were verified during the year and according to the information and explanation provided to us by the Management, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties as disclosed in the Standalone Financial Statements are held in the name of the Company except the following.

Description of the Property	Gross Carrying Value (In Lakhs)	Held in the name of	Whether Promoter, Director, their relative or employee	Period held	Reason for not being held in the name of the Company
Defense system Integration complex (DSIC) Land at Palasamudram	7,309.91	Government of Andhra Pradesh	No	10 years	As per agreement to sale, Sale deed will be executed after commencement of production by utilising at least 50% of land allotted by Government.
Freehold land admeasuring 96.27 acres at Ibrahimpatnam	1,210.85	Andhra Pradesh Industrial Infrastructure Corporation*	No	12 years 8 Months	Sale deed is pending to be executed.
Freehold land admeasuring 26.55 acres at Ibrahimpatnam	522.31	Telangana State Industrial Infrastructure Corporation Limited	No	9 years 10 Months	Sale deed is pending to be executed.
2.5 MW Windmill - at Davangere	-	Government of Karnataka	No	20 Years	Lease Deed is pending with Forest Department of government of Karnataka. Currently Matter is in dispute in the High Court of Karnataka.
Freehold Land at Sohna, Haryana	0.42 (Value of land for 36.72 acres)	No Title Deeds	No	51 years 10 Months	The total freehold land of 36.72 acres at Sohna (Haryana) is not registered in the Company's name. Registration is not required, as the property was awarded to the Company by operation of law under the Land Acquisition Act, 1894. The award was published in the official Gazette of the State Government of Haryana and ownership rests with the Company. However, for the purpose of recording rights in the land revenue records, the mutation process is underway. As of March 31, 2026, mutation proceedings for land measuring 36.05 acres have been completed. For the remaining 0.67 acres, mutation is pending with the concerned Tehsildar.

** Now known as Telangana State Industrial Infrastructure Corporation Limited*

Pending Litigation cases related to Land and leases:

- In respect of the leasehold lands, the Land for 2.5 MW Windmill plant at Davangere is owned by Forest Department - Government of Karnataka for which the Unit is yet to execute the lease deed. The Unit took possession of land from 30 September 2006, and Lease Deed is pending with Forest Department of Government of Karnataka. Currently the matter is in dispute in the High Court of Karnataka.
- Title in respect of Freehold land measuring 0.979 (0.566) acres out of total freehold land measuring 86.91 acres is under Litigation.
- Out of Freehold land at Sohna of 36.72 acres valuing ₹ 0.42 lakhs, mutation of land measuring 0.67 acres is pending with concerned Tehsildar

d. The Company has chosen cost model for its property, plant and equipment (including Right to Use Assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right to Use Assets) or intangible assets does not arise.

e. According to the information and explanations provided to us, there are no proceedings that have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. The inventory, except goods in transit and inventory lying with sub-contractors, has been physically verified by the Management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate. In respect of good-in-transit, subsequent goods delivery documents have been verified by the Management. Inventory lying with sub-contractors having substantial values have been confirmed by the Management from such sub-contractors. The discrepancies noticed on verification between the physical stocks and the book records were not 10% or more in the aggregate for each class of inventory and have been properly dealt with in the books of account.

b. According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

The Management of the Company has provided us with the quarterly returns or statements (except for quarter ended 31 March 2026, which is yet to be submitted), which they have represented to us have been filed by the Company with their banks or financial institutions based on the sanction terms. Based on our procedures and in our opinion the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company.

iii. a. According to the information and explanations provided to us, during the year the company has not made any investments, security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for a guarantee provided to its associate company "BEL IAI Aerosystems Private Limited" for ₹ 5,500 Lakhs and loans to its employees as per the standard Company policy refer Note 8 of Standalone financial statements.

(₹ in Lakhs)

Particulars		Loan	Advance	Guarantee	Security
A)	The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to subsidiaries, joint ventures and associates;	Nil	Nil	Nil	Nil
B)	The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;				
	• The aggregate amount of loans or advance to employees during the year	257	379	Nil	Nil
	• The aggregate amount of loans or advance to employees as on year end*	1,002	187	Nil	Nil

*Includes Interest balance

b. According to the information and explanations provided to us and based on our review of the terms of policy, conditions and circumstances, the investments made and the terms and conditions of the grant of loans/advances in the nature of loans are not prejudicial to the Company's interest.

c. According to the information and explanations provided to us, in respect of loans, the schedule of repayment of principal and payment of interest have been stipulated. The repayments or receipts are as per the schedule stipulated.

d. According to the information and explanations provided to us and based on the terms and conditions of the loans, no amount is overdue for more than 90 days.

e. According to the information and explanations provided to us, no loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

f. According to the information and explanations provided to us, the Company has not granted loans repayable on demand in current year or without specifying any terms or period of repayment. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanation provided to us and as per notification no. GSR 463(E) dated 5 June 2015, sections 185 and 186 of the Act with respect to granting of loans, investments, guarantees and security, is not applicable to a Government Company engaged in defence sector/production.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder or amounts which are deemed to be deposits. We were informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

All earlier year deposits (collected prior to February 2006) have matured and settled except for ₹ 36.95 Lakhs, out of which ₹ 36.50 Lakhs is retained as per Garnishee Order of Lokayukta, Bengaluru and balance of ₹ 0.45 Lakhs though matured is unpaid due to legal issues.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services 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 material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues referred in sub clause (a) above were in arrears as at 31 March 2026, for a period of more than six months from the date they became payable except for the following

- As at 31st March 2026, Kotdwara Unit of the Company has not deposited Property tax demand of ₹ 1116.30 Lakhs received from Kotdwara Municipal Corporation and the matter is under discussion with authorities.

b. According to the information and explanations given to us, there are no statutory dues referred in sub clause (a) above as at 31 March 2026, which have not been deposited by the Company on account of disputes, except for the following:

(Amounts in ₹ Lakhs)

Name of the Statute	Nature of dues	Amount in ₹ Lakhs	Amount paid under Protest in ₹ Lakhs	Period to which the amount pertains	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance as per assessment orders	18,977.63	-	2009- 10 2010- 11 2013- 14 2017- 18 2018- 19 2020- 21 2021- 22 2024-25	Commissioner of Income Tax
Income Tax Act, 1961	Tax Deducted at Source	41.39	-	2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2017-18 2023-24	TDS Circle
Income Tax Act, 1961	Interest under section 244A	581.26	-	2023-24	Commissioner of Income Tax
Goods & Service Tax Act, 2017	Central Goods & Service Tax	65.77	10.46	2017- 18	High Court
Goods and Service Tax Act, 2017	Tax, Interest and Penalty	23.48	1.02	2018- 19	Goods and Service Tax Department, Navi Mumbai
Goods and Service Tax Act, 2017	CENVAT Credit and ITC	8.05	-	2017- 18	First Appellate Authority
Goods and Service Tax Act, 2017	Input Tax Credit	31.76	-	2018- 19	Punjab & Haryana High Court,Chandigarh
Goods and Service Tax Act, 2017	Input Tax Credit	121.81	-	2019- 20	Punjab & Haryana High Court, Chandigarh
Goods and services Act, 2017	Goods and Service Tax including penalty	0.33	-	2018-19	The Assistant Commissioner of Central Tax
Goods and services Act, 2017	Goods and Service Tax including penalty	18.17	-	2017-18	The Superintendent of Central Taxes, NWD-III Division
Goods and services Act, 2017	Goods and Service Tax including interest and penalty	6.56	-	2018-19	Assistant commissioner of State Taxes
Goods and services Act, 2017	Goods and Service Tax including penalty	0.12	-	2018-19	Deputy commissioner of state taxes, Udaipur, Rajasthan.
Goods and services Act, 2017	Goods and Service Tax including interest and penalty	2769.62	-	2020-21	CTO, Excise & Taxation Dept, Chandigarh.
Goods and services Act, 2017	Goods and Service Tax including penalty	1017.3	-	2019-23	Assistant Commissioner of Central Taxes, Nagaland.
Goods and services Act, 2017	Goods and Service Tax including interest and penalty	23.77	-	2020-21	Assistant Commissioner of State Taxes, Bihar
Goods and Service Tax Act, 2017	Penalty under Goods and Service tax	3.74	-	Prior to 2017	Joint Commissioner (Appeals) Goods and Service Tax, Chennai
Goods and Service Tax Act, 2017	Goods and Service Tax including interest and penalty	25.9	2.74	2020-21	Goods and Service Tax Department Navi Mumbai
Goods and Service Tax Act, 2017	Goods & Service Tax (Customs)	1056.14	26.23	2020-24	CESTAT

(Amounts in ₹ Lakhs)

Name of the Statute	Nature of dues	Amount in ₹ Lakhs	Amount paid under Protest in ₹ Lakhs	Period to which the amount pertains	Forum where the dispute is pending
Goods and Service Tax Act, 2017	Central Goods & Service Tax	580.57	-	2018-19 2019-20 2020-21 2021-22 2022-23	Assistant Commissioner of Goods and Service Tax
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	18.23	-	2021-22	Superintendent of CGST & Central Excise, Andaman & Nicobar
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	22.43	-	2021-22	Assistant commissioner CGST & Central Excise, Andaman & Nicobar
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	29.21	-	2018-23	Superintendent of CGST & Central Excise, Pakur, Jharkhand
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	5.63	-	2021-22	Superintendent of CGST & Central Excise, Pakur, Jharkhand
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	2747.25	-	2018-19	Additional Commissioner of Central Tax, Central Excise and Service Tax, North West, Bengaluru
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	47.27	-	2019-20	Assistant Commissioner of Central Tax, Central Excise and Service Tax, North West, Bengaluru
Goods and Service Tax Act, 2017	Goods and Service Tax including penalty	2005.93	-	2018-22	Additional Commissioner of CGST & Central Excise, Siliguri
ESI Act, 1948	ESI Contribution	55.78	-	2020- 21	Employee State Insurance
ESI Act, 1948	Interest & Cost of recovery	20.26	8	1998- 01	A.P High Court
Central Excise Act	Central Excise Duty	23.65	10.00	1990- 91	Commissioner Appeals
Excise & Taxation	Entry Tax	11.68		2015- 16 2016- 17 2017-18	Excise & Taxation Department
Customs Act, 1962	Customs duty including interest and penalty	607.72	500.77	2015-16	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Customs Act, 1962	Customs duty	0.2	0.2	2017-18	Assistant Commissioner of Customs
Customs Act, 1962	Customs duty including penalty	6171.53	-	2024-25	Principal commissioner of Customs
Customs Act, 1962	Customs duty including penalty	2571.84	-	2024-25	Commissioner of Customs
Customs Act, 1962	Customs duty including penalty	1010.59	-	2024-25	Commissioner of Customs
Customs Act, 1962	Customs duty including penalty	547.4	-	2024-25	Commissioner of Customs
Customs Act, 1962	Customs duty including penalty	470.37	-	2024-25	Commissioner of Customs
Customs Act, 1962	Customs Duty	25.45	-	2002- 03	Commissioner (Appeals) of Customs
Custom Act, 1962	Custom Duty	588.6	42.27	2021- 22	Customs, Excise and service Tax Appellate Tribunal (CESTAT)
Service Tax Act, 1994	Service Tax including penalty	1426.62	53.5	2014-15 2015-16	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Madhya Pradesh VAT Act, 2002	Value added tax including penalty	72.62	26.87	2011-12	MP commercial Tax appellate board
Haryana VAT Act, 2002	Value added tax	20.9	-	2012-13	Assistant Commissioner, Value Added tax, Gurugram
Bihar sales Tax act, 1947	Bihar sales tax	66.44	-	1995-98	Joint commissioner of commercial taxes

(Amounts in ₹ Lakhs)

Name of the Statute	Nature of dues	Amount in ₹ Lakhs	Amount paid under Protest in ₹ Lakhs	Period to which the amount pertains	Forum where the dispute is pending
Rajasthan Sales Tax Act,1994	Sales Tax	58.85	3.4	2008- 09	Rajasthan Tax Board
Chapter V of the Finance Act 1994	Service Tax	30.93	3.09	2016-17 2017-18	Customs Excise and Service Tax Appellate Tribunal (CESTAT Chennai)
Tamil Nadu Value Added Tax,2006	Sales Tax	106.64	-	2015-16	Sales tax Tribunal Chennai
Tamil Nadu Value Added Tax,2006	Sales Tax	30.97	-	2016-17	Sales tax Tribunal Chennai
West Bengal Taxation Tribunal	Sales Tax	0.71	-	2016-17	Sr. Joint Commissioner, Commercial Tax, Kolkata South Circle, WB

viii. According to the information and explanations given to us and records examined by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. Based on our audit procedures; in our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any lender. Accordingly, reporting on clause 3 (ix) (a) is not applicable. However, refer to clause 3(ii)(b) above.

b. According to the information and explanations given to us, our audit procedures and as represented to us by the Management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. According to the information and explanations given to us and in our opinion, no term loans are availed by the Company in the current year. Accordingly reporting on clause 3 (ix) (c) is not applicable.

d. According to the information and explanations given to us, the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short- term basis have been used for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds (borrowings) from any entity or person on account of or to meet the obligations of its subsidiaries or associate.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on clause x(b) is not applicable.

xi. a. Based upon the audit procedures performed by us and according to the information and explanation provided to us by the Management, no fraud by the Company or no fraud on the Company has been noticed or reported to us during the year.

b. According to information and explanation provided to us and based on our examination of records, 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 up to the date of this report.

c. According to information and explanation provided to us and based on our audit procedures and enquiry with the vigil mechanism committee, there were complaints received during the year which we have taken into consideration while determining the nature, timing and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting on clause 3 (xii) (a), (b) & (c) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of transactions have been disclosed in the Standalone Financial Statements as required by Ind AS 24 'Related Party Disclosures' to the extent applicable to Government companies. Refer Note 31 to the Standalone Financial Statements.

xiv. a. According to the information and explanations given to us and in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b. We have considered, the Internal Audit reports, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, reporting on clause 3(xv) of the Order is not applicable.

xvi. a. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India, 1934. Accordingly, 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.

xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting on clause 3 (xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the 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.

xx. 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. According to the information and explanations provided to us, an amount of ₹ 7,536 Lakhs remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Refer Note 30 (14) to the Standalone Financial Statements.

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number:003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713HAPHVM7678

Dharamshala
19 May 2026

"Annexure B" to the Independent Auditors' Report

Referred to in paragraph 2 (h) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Standalone Financial Statements 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 the Standalone Financial Statements of **BHARAT ELECTRONICS LIMITED** ("the Company") as of 31 March 2026 in conjunction with our audit of the Standalone 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements 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, to the extent applicable to an audit of internal financial controls, 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 the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and by the branch auditors, in terms of their reports, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial controls with reference to the Standalone Financial Statements

A Company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to the Standalone Financial Statements 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, 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 the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements 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 and based on audit reports of branch auditors, the Company has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at 31 March 2026, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone Financial Statements in so far as it relates to six branches, is based on the corresponding reports of the auditors of such branches.

Our opinion is not modified in respect of the above matter.

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number:003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713HAPHVM7678

Dharamshala
19 May 2026

"Annexure C" to the Independent Auditors' Report

Referred to in paragraph 3 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the areas to be examined by the Statutory Auditors as per directions of the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 for the year ended 31st March 2026.

In our opinion and to the best of our information and according to the explanations given to us and based on the audit reports provided by the branch auditors, we report the following:

Sl. No.	Directions/sub directions	Action taken	Impact on financial Statements
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	According to the information and explanations given to us The Company has contributed towards post-retirement employee benefit obligations such as gratuity, Provident Fund, leave encashment and Superannuation scheme to either trusts or directly by company in case of leave encashment. Which are managed by Trusts/external fund managers/insurers. **Valuation Approach:** In respect of quoted investments, fair valuation is determined based on observable market prices at the reporting date, in line with Ind AS 113. For unquoted investments and pooled funds, valuation is based on Net Asset Value (NAV) statements and valuation reports provided by the respective fund managers/ trustees. The Company has followed a consistent valuation methodology in line with prior periods, and such approach is in conformity with the requirements of Ind AS 19 read with applicable fair valuation principles. Based on the procedures performed and records examined, the valuation approach adopted by the Company is considered reasonable and compliant with applicable accounting standards, and no material deviations or misstatements were observed in the reporting of such investments.	Nil
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	According to the information and explanation given to us and based on the records of the Company examined by us, the Unit has ERP system in place that enables to process all the accounting transactions through IT system. Review of this system & Control done by information security auditing organisation empanelled by cert – In once in a year and no material discrepancies are identified.	Nil
3	Whether funds (grants / subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	According to the information and explanation given to us and based on the records during the year no funds have been received towards specific schemes from Central/ State Government or its agencies except for a subsidy receipt under M-SIPS (Modified - Special Incentive Package Scheme) - for the investment made by MR SBU – BG Complex for Electronics System Design and Manufacturing during the previous years and is appropriately accounted.	

"Annexure C" to the Independent Auditors' Report

Referred to in paragraph 3 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Sl. No.	Directions/sub directions	Action taken	Impact on financial Statements
		Further funds received in earlier years have been appropriately accounted and utilised for the purpose for which it is received. Export incentives availed by the unit in the form of Duty Drawback etc. are not considered as grant for the reporting under this clause. Hence this clause is not applicable.	
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) Whether the Company has identified its data assets and whether it has been valued appropriately?	According to the information and explanation given to us the Company has risk management committee which conducts its meetings at regular intervals and identifies key risk areas across operations, finance, compliance, and strategic functions, and has established a formal Risk Management Policy to mitigate such risks. The policy framework is broadly aligned with recognized global practices, including structured risk identification, assessment, monitoring, and mitigation mechanisms. The Company has also taken steps to identify its critical data assets and implement controls for their protection and management. However, valuation of data assets is not carried out separately in the financial statements, as such assets are not recognized unless meeting the criteria prescribed under applicable accounting standards, and no material financial impact arises on this account.	
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	According to the information and explanation given to us the Company is generally compliant with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulatory requirements issued by Ministry of Corporate Affairs, Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, CERT-In, Ministry of Electronics and Information Technology, and National Payments Corporation of India, wherever applicable. Based on the audit procedures performed, including review of statutory filings, disclosures, and compliance reports, no material instances of non-compliance were observed except for the matters mentioned point 2 of other matters paragraph. The Company has established systems and processes to ensure adherence to applicable laws and regulations. Accordingly, no cases of deviation requiring reporting were noticed during the audit.	

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number: 003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713HAPHVM7678

Dharamshala
19 May 2026

By Speed Post
Confidential

Insp-1/BEL Accs 25-26/2026-27/129

प्रधान निदेशक लेखापरीक्षा (रक्षा-वाणिज्यिक) का कार्यालय,
ऑडिट भवन - II
तृतीय और चौथा तल, 68/2, एच. सिद्दैया रोड
अर्चना कॉम्प्लेक्स के सामने,
एच. सिद्दैया रोड रेफरल हॉस्पिटल के बगल में,
दोड्डमावल्ली, सुधामा नगर, बेंगलुरु - 560002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(DEFENCE - COMMERCIAL),
Audit Bhawan – II
3rd and 4th floor, 68/2, H. Siddaiah Road,
Opposite Archana Complex,
Next to H. Siddaiah Road Referral Hospital,
Doddamavalli, Sudhamanagar, Bengaluru-560002

दिनांक / DATE 20.7.2026

To
Shri Manoj Jain,
Chairman and Managing Director,
Bharat Electronics Limited,
PO Nagavara, Outer Ring Road,
Bengaluru – 560 045.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026.

I forward **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026.

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; and

(iii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(K. Jyothi Priya)
Director (Reports)

Encl: As above.

Phone : 080-22267646 / 22254838 Fax : 080-2226 2491 Email : pda.dc.blr@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT ELECTRONICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026 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 19 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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

(Sudha Rajan)
Director General of Audit, Defence - Commercial

Place: Bengaluru
Date: 20 July 2026

Standalone Balance Sheet

(₹ in Lakhs)

Sl. No.	Particulars	Note no.	As at 31 March 2026	As at 31 March 2025
ASSETS				
(1)	**Non-current assets**			
(a)	Property, plant and equipment	1	3,40,538	3,12,419
(b)	Capital work-in-progress	2	48,209	46,879
(c)	Investment property	3	4	4
(d)	Other intangible assets	4	49,384	4,887
(e)	Intangible assets under development	5	24,566	57,482
(f)	Financial assets			
	(i) Investments	6	86,364	82,038
	(ii) Trade receivables	7	-	-
	(iii) Loans	8	826	663
	(iv) Other financial assets	9	2,293	1,932
(g)	Deferred tax assets (net)	10	58,702	53,412
(h)	Inventories	11	-	-
(i)	Other non-current assets	12	20,813	19,375
			6,31,699	**5,79,091**
(2)	**Current assets**			
(a)	Inventories	11	10,09,419	9,06,966
(b)	Financial assets			
	(i) Trade receivables	7	12,84,528	9,09,196
	(ii) Cash & cash equivalents	13	1,82,693	68,168
	(iii) Bank balances [other than (ii) above]	14	6,59,174	8,71,562
	(iv) Loans	8	175	147
	(v) Other financial assets	9	15,817	23,900
(c)	Current tax assets (net)	15	27,904	35,149
(d)	Other current assets	12	5,97,630	6,47,629
			37,77,340	**34,62,717**
TOTAL ASSETS			**44,09,039**	**40,41,808**
EQUITY AND LIABILITIES				
EQUITY				
(a)	Equity share capital	16	73,098	73,098
(b)	Other equity		22,96,658	18,96,670
			23,69,756	**19,69,768**
LIABILITIES				
(1)	**Non-current liabilities**			
(a)	Deferred income	17	5,640	5,387
(b)	Financial liabilities			
	(i) Borrowings	18	-	-
	(ia) Lease liabilities		6,243	5,869

Standalone Balance Sheet

(₹ in Lakhs)

Sl. No.	Particulars	Note no.	As at 31 March 2026	As at 31 March 2025
	(ii) Trade payables	19		
	- total outstanding dues of micro enterprises & small enterprises; and		-	-
	- total outstanding dues of creditors other than micro enterprises & small enterprises		-	-
	(iii) Other financial liabilities	20	2,232	1,457
(c)	Provisions	21	1,07,624	89,476
(d)	Other non-current liabilities	22	-	-
			1,21,739	**1,02,189**
(2)	**Current liabilities**			
(a)	Deferred income	17	389	308
(b)	Financial liabilities			
	(i) Borrowings	18	-	-
	(ia) Lease liabilities		303	254
	(ii) Trade payables	19		
	- total outstanding dues of micro enterprises & small enterprises; and		21,270	17,338
	- total outstanding dues of creditors other than micro enterprises & small enterprises		3,32,959	3,14,167
	(iii) Other financial liabilities	20	1,57,651	1,36,526
(c)	Other current liabilities	22	13,19,908	14,28,251
(d)	Provisions	21	85,064	73,007
(e)	Current tax liabilities (net)	15	-	-
			19,17,544	**19,69,851**
TOTAL EQUITY AND LIABILITIES			**44,09,039**	**40,41,808**

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **RAO & EMMAR,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Dharamshala
19 May 2026

Standalone Statement of Profit and Loss

(₹ in Lakhs)

Sl. No.	Particulars	Note no.	For the year ended 31 March 2026	For the year ended 31 March 2025
I	Revenue from operations	23	27,47,963	23,65,801
II	Other income	24	59,039	76,759
III	**Total income (I+II)**		**28,07,002**	**24,42,560**
IV	**EXPENSES**			
	a Cost of material consumed		13,80,564	12,56,140
	b Consumption of stock in trade		74,842	43,041
	c Changes in inventories of finished goods, work in progress & scrap	25	(57,474)	(81,083)
	d Employee benefits expense	26	3,09,091	2,73,436
	e Finance costs	27	672	961
	f Depreciation and amortisation expense	28	52,393	43,558
	g Other expenses	29	2,39,410	1,97,508
	TOTAL EXPENSES (a to g)		**19,99,498**	**17,33,561**
V	**Profit before exceptional items & tax (III - IV)**		**8,07,504**	**7,08,999**
VI	**Exceptional items**		-	-
VII	**Profit before tax (V - VI)**		**8,07,504**	**7,08,999**
VIII	**Tax expense**	10		
	- Current tax		2,06,256	1,76,135
	- Earlier years tax		-	274
	- Deferred tax		(3,600)	3,765
	Total provision for taxation		**2,02,656**	**1,80,174**
IX	**Profit for the year (VII - VIII)**		**6,04,848**	**5,28,825**
X	**Other comprehensive income / (loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		4,634	1,104
	- Equity instruments through other comprehensive income		1	2
	- Income tax relating to these items		(1,166)	(278)
	Total other comprehensive income / (loss) (net of tax)		**3,469**	**828**
XI	**Total comprehensive income for the year (IX + X) [comprising profit and other comprehensive income for the year]**		**6,08,317**	**5,29,653**
XII	**Earnings per equity share (face value of INR 1/- each) :**	30(1)		
	(1) Basic [in INR]		8.27	7.23
	(2) Diluted [in INR]		8.27	7.23

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **RAO & EMMAR,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Dharamshala
19 May 2026

Standalone Statement of Changes in Equity

(₹ in Lakhs)

A. Equity share capital

Particulars	Note no.	Amount
Balance as at 1 April 2025		73,098
Changes in equity share capital during the year		
- Issue of bonus shares	16	-
- Buyback of shares		-
Balance as at 31 March 2026		**73,098**

Particulars	Note no.	Amount
Balance as at 1 April 2024		73,098
Changes in equity share capital during the year		
- Issue of bonus shares	16	-
- Buyback of shares		-
Balance as at 31 March 2025		**73,098**

B. Other equity

Particulars	Note no.	Reserves & surplus				Other reserve		Total other equity
		Capital reserve *	Capital redemption reserve *	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *	
Balance as at 1 April 2025		**4,669**	**1,868**	**5,10,814**	**14,43,620**	**15**	**(64,316)**	**18,96,670**
Profit for the year		-	-	-	6,04,848	-	-	6,04,848
Addition during the year		-	-	-	-	1	3,468	3,469
Total		**4,669**	**1,868**	**5,10,814**	**20,48,468**	**16**	**(60,848)**	**25,04,987**
Amount transfer to general reserve		-	-	40,000	(40,000)	-	-	-
Transaction with owners in their capacity as owner								
Dividends	16	-	-	-	(2,08,329)	-	-	(2,08,329)
Issue of bonus shares	16	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-
Balance as at 31 March 2026		**4,669**	**1,868**	**5,50,814**	**18,00,139**	**16**	**(60,848)**	**22,96,658**

Standalone Statement of Changes in Equity

(₹ in Lakhs)

Particulars	Note no.	Reserves & surplus				Other reserve		Total other equity
		Capital reserve *	Capital redemption reserve *	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *	
Balance as at 1 April 2024		**4,669**	**1,868**	**4,70,814**	**11,22,919**	**13**	**(65,142)**	**15,35,141**
Profit for the year		-	-	-	5,28,825	-	-	5,28,825
Addition during the year		-	-	-	-	2	826	828
Total		**4,669**	**1,868**	**4,70,814**	**16,51,744**	**15**	**(64,316)**	**20,64,794**
Amount transfer to general reserve		-	-	40,000	(40,000)	-	-	-
Transaction with owners in their capacity as owner								
Dividends	16	-	-	-	(1,68,124)	-	-	(1,68,124)
Issue of bonus shares	16	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-
Balance as at 31 March 2025		**4,669**	**1,868**	**5,10,814**	**14,43,620**	**15**	**(64,316)**	**18,96,670**

* Refer Note 16.

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **RAO & EMMAR,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Standalone Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and tax	8,07,504	7,08,999
Adjustments for:		
Depreciation and amortisation expense	52,393	43,558
Provision for intangible assets under development	4,826	-
Intangible assets under development charged off	-	129
Transfer from government grants	(859)	(324)
Rental income received from Investment Property	(281)	(263)
Gain / loss on mutual funds	(1,935)	(2,053)
Interest income	(52,655)	(61,587)
Dividend income	(3,274)	(3,291)
Interest on lease liability	425	416
Finance costs	247	545
Profit on sale of property, plant & equipment	(330)	(255)
Operating Profit Before Working Capital Changes	**8,06,061**	**6,85,874**
Increase / (Decrease) due to:		
Trade receivables	(3,75,332)	(1,72,977)
Loans	(191)	34
Other financial assets	2,465	(489)
Other assets	48,561	99,557
Inventories	(1,02,453)	(1,66,207)
Trade payables	22,724	(37,860)
Other financial liabilities	22,970	6,601
Other liabilities	(1,08,343)	(2,00,653)
Provisions	34,839	(1,417)
Cash Generated from Operations	**3,51,301**	**2,12,463**
Income taxes paid (net)	(2,01,867)	(1,66,738)
Cash Flow Before Exceptional Items	**1,49,434**	**45,725**
Exceptional items	-	-
Net Cash from / (used in) Operating Activities	**1,49,434**	**45,725**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipment and other intangible assets	(98,312)	(1,00,407)
Receipt of grant	1,193	-
Proceeds from sale of property, plant & equipment	393	304
Increase / Decrease from term deposits & other bank balances	2,12,388	1,10,151
Equity investments in subsidiaries & associates	-	(1,510)
Investments in others	(4,325)	(3,747)
Rental income received from Investment Property	281	263
Gain / loss on mutual funds	1,935	2,053
Interest received	57,912	66,759
Dividend received	3,274	3,291
Net Cash from / (used in) Investing Activities	**1,74,739**	**77,157**

Standalone Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend paid	(2,08,252)	(1,68,056)
Repayment of lease liabilities	(724)	(597)
Interest on lease liability	(425)	(416)
Finance costs	(247)	(545)
Net Cash from / (used in) Financing Activities	**(2,09,648)**	**(1,69,614)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**1,14,525**	**(46,732)**
Cash and Cash Equivalents at the beginning of the year	**68,168**	**1,14,900**
Cash and Cash Equivalents at the end of the year	**1,82,693**	**68,168**

1. Cash flow in respect of CSR Activities is ₹ 3,240 (₹ 2,770).
2. Non-cash changes recognised in respect of liabilities on account of financing activities is Nil (Nil).
3. Previous years's figure have been regrouped/reclassified wherever necessary.

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **RAO & EMMAR,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Standalone Notes to Accounts

(₹ in Lakhs)

Note 1 - Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2026	Accumulated depreciation / amortisation as at 1 April 2025	Depreciation / amortisation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Owned Asset										
Freehold land	14,361	83	-	14,444	-	-	-	-	14,444	14,361
Roads and culverts	5,470	419	-	5,889	1,042	282	-	1,324	4,565	4,428
Buildings	1,36,598	8,192	26	1,44,764	28,261	5,637	22	33,876	1,10,888	1,08,337
Installations	7,752	844	44	8,552	4,262	655	42	4,875	3,677	3,490
Plant and machinery	2,21,446	28,849	491	2,49,804	1,31,119	18,853	491	1,49,481	1,00,323	90,327
Electronic equipment	84,060	10,822	711	94,171	62,006	6,430	710	67,726	26,445	22,054
Equipment for R & D lab	82,889	15,776	163	98,502	58,475	9,436	163	67,748	30,754	24,414
Vehicles	1,736	317	35	2,018	1,129	240	24	1,345	673	607
Office equipments	29,644	7,815	372	37,087	16,260	4,426	343	20,343	16,744	13,384
Furniture, fixtures and equipments	13,586	2,037	99	15,524	8,538	1,136	83	9,591	5,933	5,048
Assets acquired for sponsored research	65	-	-	65	65	-	-	65	-	-
Right of Use Asset										
Lease of other assets	5,976	806	135	6,647	1,132	581	135	1,578	5,069	4,844
Leasehold land	21,959	59	-	22,018	834	161	-	995	21,023	21,125
Total	**6,25,542**	**76,019**	**2,076**	**6,99,485**	**3,13,123**	**47,837**	**2,013**	**3,58,947**	**3,40,538**	**3,12,419**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions/ adjustments during the year	As at 31 March 2025	Accumulated depreciation / amortisation as at 1 April 2024	Depreciation / amortisation for the year	Deductions/ adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Owned Asset										
Freehold land	14,361	-	-	14,361	-	-	-	-	14,361	14,361
Roads and culverts	3,345	2,125	-	5,470	800	242	-	1,042	4,428	2,545
Buildings	1,07,819	28,779	-	1,36,598	23,221	5,040	-	28,261	1,08,337	84,598
Installations	6,803	950	1	7,752	3,679	584	1	4,262	3,490	3,124
Plant and machinery	2,03,309	18,542	405	2,21,446	1,13,997	17,527	405	1,31,119	90,327	89,312
Electronic equipment	75,217	9,984	1,141	84,060	56,984	6,157	1,135	62,006	22,054	18,233
Equipment for R & D lab	71,160	11,902	173	82,889	51,498	7,150	173	58,475	24,414	19,662
Vehicles	1,400	338	2	1,736	921	210	2	1,129	607	479
Office equipments	20,896	8,971	223	29,644	13,310	3,132	182	16,260	13,384	7,586
Furniture, fixtures & equipments	12,033	1,625	72	13,586	7,597	1,012	71	8,538	5,048	4,436
Assets acquired for sponsored research	65	-	-	65	65	-	-	65	-	-
Right of Use Asset										
Lease of other assets	6,020	46	90	5,976	788	434	90	1,132	4,844	5,232
Leasehold land	21,017	942	-	21,959	674	160	-	834	21,125	20,343
Total	**5,43,445**	**84,204**	**2,107**	**6,25,542**	**2,73,534**	**41,648**	**2,059**	**3,13,123**	**3,12,419**	**2,69,911**

Standalone Notes to Accounts

(₹ in Lakhs)

i. Freehold land consists of 2,086.21 acres (2,086.07 acres) and Leasehold land consists of 989.28 acres (989.28 acres).

Freehold land includes INR 176 (INR 155) [represents absolute figure] transferred to investment property during the year.

ii. Freehold land includes 5.49 acres (5.32 acres) leased to commercial/ religious organisations and in their possession.

iii. **Contractual Commitments**

Refer Note 30(6) for outstanding Contractual Commitments.

iv. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant & equipment.

v. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of Property, Plant and Equipment (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of Property, Plant and Equipment is as follows:

Asset Class	Years
Buildings	20-40
Roads and Culverts	20-40
Installations	10
Plant and Machinery	2-25
Electronic Equipment	5-7
Vehicles	4-5
Office Equipment	5-7
Furniture, Fixtures and equipments	6-10
Equipment for R & D Lab	5

vi. **Depreciation / Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

Leased Assets are amortised on a straight-line basis over their estimated useful lives or their respective lease term whichever is shorter.

vii. **Method of Accounting Depreciation**

Depreciation / Amortisation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss. Amount of Depreciation recognised as part of Cost of Other Asset is Nil (Nil).

viii. **Impairment of Assets**

Refer Note 30 (4).

ix. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, Plant & Equipment.

x. Land acquired free of cost from the Government in some units has been accounted in line with provisions of Ind AS 101.

Standalone Notes to Accounts

(₹ in Lakhs)

xi. **Details of Registration, Pending Litigation etc.,**

a. Pending execution of title/sale deed and handing over physical possession of land allotted by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) in respect of land admeasuring 5.60 acres (5.60 acres) in Mallapur allotted to BEL, Hyderabad and the matter being under litigation, no provision towards registration and other costs has been made in the books of account. Cost of land paid to APIIC amounting to ₹ 65 (₹ 65) has been shown in Note 12 - Other Non current Assets to the Financial Statements under the heading Capital Advances.

b. Based on the Memorandum of Understanding reached with the Defence authorities, assets constructed on the land allotted to BEL and in possession of BEL are capitalised under respective heads for setting up of the Hyderabad Unit. Pending finalisation of the terms and conditions by the appropriate authorities, the cost of land admeasuring 25.11 acres (25.11 acres) has not been accounted in the books of accounts.

c. Land admeasuring 122.82 acres (122.82 acres) at Ibrahimpatnam allotted by APIIC/TSIIC possession is given, for which sale deed is pending.

d. A demand of ₹ 648 (₹ 648) being 50% of the compensation amount decreed by City Civil Court, Hyderabad has been received towards additional compensation from TSIIC dated 31.01.2015 for land of 22.375 acres (22.375 acres) which is part of the Freehold Land mentioned above. The demand is under dispute and hence, no provision in respect of the same has been made in the books of accounts.

e. Free hold Land to the extent of 1.22 acres (1.22 acres) which was allotted by Government Authorities in Bengaluru in return for handing over of Land measuring 1.24 acres (1.24 acres) is under litigation.

f. The Company has installed Windmill Generator at three locations. Out of which: Windmill Generator-I capitalised in the year 2006-07 on Lease Land. Lease deed in respect of aforesaid land is under litigation with High Court of Karnataka.

g. The title deed in respect of land in Panchkula measuring 0.979 acres (0.566 acres) is under litigation. Three cases are pending in the Civil Court Ambala, SDM Cum. Assistant Collector, UT, Chandigarh and District Court Panchkula.

h. Sale deed is pending for finalisation of the land admeasuring 913.99 acres (913.99 acres) at Palasamudram (Defence System Integration Complex - DSIC), Ananthapur Dist. AP.

i. Land measuring 0.67 acres (12.52 acres) at Sohna (Haryana), mutation is pending with concerned Tehsildar (Ghaziabad Complex).

xii. Company has installed solar power plants on lease land in Ordnance Factory Board at Medak, Itarsi, Bolangir, HVF Avadi, GCF Jabalpur, VFJ Jabalpur, Hazratpur, Muradnagar, Nalanda, MSF Ishapore by paying a nominal value of INR 1 [represents absolute figure] as annual lease rent for every plant.

xiii. Prepaid rent for 3 MW Hassan & 8.4 MW Davangere windmill plants are capitalised as Right of Use on transition to Ind AS 116.

xiv. Physical possession in respect of 31.15 acres of land located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and capitalised under Lease hold land at ₹ 8,916 (₹ 8,916). As per the terms of the lease agreement,on successful commencement of the project the same will be converted as freehold land. Since it is a lease cum sale agreement, depreciation is not provided for the same.

xv. Short term lease amount expended during the year is Nil (Nil).

xvi. Repayment of Lease for Right to Use Asset during the year amounts to ₹ 724 (₹ 597).

Standalone Notes to Accounts

(₹ in Lakhs)

xvii. Gross block and Accumulated Depreciation for Electronic Equipments include ₹ 247 and ₹ 247 (₹ 247 & ₹ 247) towards assets procured out of Other Grants.

xviii. Electronic Equipments of acquisition value ₹ 21,630 (₹ 14,615) are lying with vendors. Plant & Machinery of acquisition value ₹ 55 (₹ 55) and Furniture of acquisition value ₹ 125 (Nil) is lying outside the factory premises.

xix. Additions related to R&D assets during the year which are not included in the R&D assets class however capitalised under natural code heads amounts to ₹ 4,805 (₹ 3,762).

xx. Site Restoration Obligation: Refer Note 21 (iii) for Site Restoration Obligation in respect of Wind Mill & Solar Power Plants. Gross Block Value of Plant & Machinery includes Site Restoration Obligation of ₹ 2,494 (₹ 2,440) in respect of Wind Mill & Solar Power Plants. Difference of ₹ 53 between SRO Assets and SRO Provision under note 21 is due to the revision of Gross Block Value as the deemed cost of the Property, Plant & equipment on transition to Ind AS (01.04.2015).

xxi. Investment property transferred to Freehold Land during the Year INR 533 (Nil) [represents absolute figure].

Standalone Notes to Accounts

(₹ in Lakhs)

Note 2 - Capital work-in-progress

Particulars	As at 31 March 2026	As at 31 March 2025
Civil Construction	34,969	26,754
Plant & Machinery	11,037	15,061
Others	1,954	4,085
Capital Items in Transit	249	979
	48,209	**46,879**
	48,209	**46,879**

Capital Work in Progress 2025-26

Particulars	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	17,023	17,630	3,643	1,054	39,349
Others	7,031	870	464	496	8,860
Total	**24,053**	**18,499**	**4,107**	**1,550**	**48,209**

Others includes for Asset Class like, Installation, Electronic Equipments, Furnitures etc.

Completion schedule - Time or Cost overrun 2025-26

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project-Ibrahimpatnam	16,007	-	-	-	16,007
DSIC (PHASE-I)	-	11,591	-	-	11,591
D 29 Golden LRUs	1,874	-	-	-	1,874
D29 GSEs	735	-	-	-	735
Fire Hydrant Systems	399	-	-	.	399
Jigs & Fixtures Stores	306	-	-	-	306
Clean Room - MCW Building	256	-	-	-	256
Total	**19,577**	**11,591**	**-**	**-**	**31,168**

Completion schedule - Suspended projects 2025-26

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	-	**-**	**-**	**-**	**-**

Standalone Notes to Accounts

(₹ in Lakhs)

Capital Work in Progress 2024-25

Particulars	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	28,885	6,987	750	581	37,202
Others	7,991	1,420	188	78	9,677
Total	**36,876**	**8,406**	**937**	**659**	**46,879**

Others includes for Asset Class like Installation, Electronic Equipments, Furnitures etc.

Completion schedule - Time or Cost overrun 2024-25

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project-Ibrahimpatnam	13,049	-	-	-	13,049
DSIC Palasamudram	-	6,610	-	-	6,610
D29 GSEs	5,864	-	-	-	5,864
Project-RF Super Component Facility	2,717	-	-	-	2,717
D 29 Golden LRUs	931	-	-	-	931
EVM Project - Civil	634	-	-	-	634
Clean Room - MWC Building	187	-	-	-	187
Wind Energy Power Plant	-	12	-	-	12
Rain Water Harvesting	10	-	-	-	10
Total	**23,391**	**6,622**	**-**	**-**	**30,013**

Completion schedule - Suspended projects 2024-25

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	**-**	**-**	**-**	**-**	**-**

i. Refer Note 30(6) in respect of contractual commitments.

ii. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, plant and equipment.

iii. **Impairment of Assets**

Refer Note 30(4).

iv. Civil construction mainly comprises of Production related building and Product Developement & Innovation Centre (PDIC).

Standalone Notes to Accounts

(₹ in Lakhs)

Note 3 - Investment property

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2026	As at 1 April 2025	Depreciation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Freehold land*	-	-	-	-	-	-	-	-	-	-
Buildings**	8	-	-	8	4	-	-	4	4	4
Total	**8**	**-**	**-**	**8**	**4**	**-**	**-**	**4**	**4**	**4**

* Freehold land includes INR 3,915 (INR 4,273) [represents absolute figure] which is rounded off.

** Building Includes INR 19,920 (INR 19,920) [represents absolute figure] of depreciation which is rounded off.

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2025	As at 1 April 2024	Depreciation for the year	Deductions / adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Freehold land*	-	-	-	-	-	-	-	-	-	-
Buildings**	8	-	-	8	4	-	-	4	4	4
Total	**8**	**-**	**-**	**8**	**4**	**-**	**-**	**4**	**4**	**4**

* Freehold land includes INR 4,273 (INR 4,118) [represents absolute figure] which is rounded off.

** Building Includes INR 19,920 (INR 19,920) [represents absolute figure] of depreciation which is rounded off.

i. **Amount recognised in Statement of Profit & Loss**

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a. Rental Income	281	263
b. Direct Operating Expenses (including R&M) from property that generated rental income	-	-
c. Direct Operating Expenses (including R&M) from property other than above	-	-
d. Depreciation	-	-
e. Profit from Investment property	281	263

ii. Refer Note 30(6) for Contractual Commitments.

iii. **Fair Value of the investment properties**

Particulars	As at 31 March 2026	As at 31 March 2025
Land	3,796	4,132
Building	830	830

iv. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its investment property as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of the investment property.

Standalone Notes to Accounts

(₹ in Lakhs)

v. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of Property, Plant and Equipment (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful life of Property, Plant and Equipment is as follows :

Asset Class	Years
Buildings	40

vi. **Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets. The amount of Depreciation has been recognised as expense in the Statement of Profit and Loss.

vii. **Method of Accounting Depreciation**

Depreciation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss.

viii. **Related Party Transactions**

Investment Property includes Building and land measuring 0.48 acres (0.48 acres) given under cancellable operating lease to Subsidiary Company BEL Thales Systems Ltd. Also Refer Note 31.

ix. **Details of Registration, Pending Litigation etc.**

A. Nil (Nil).

x. **Restriction on the realisability of Investment Property :** There is no restriction on the land alloted to the Company by Government.

xi. **Estimation of Fair Value :** The Company has estimated the fair value of Investment Property based on the Government Guidance Value (muncipal value) of the similar properties in the investment property's location and not based on the valuation by registered valuer.

xii. Freehold Land comprises of 1.51 acres (1.65 acres) in Bengaluru.

xiii. Freehold Land transferred to investment Property during the Year INR 176 (INR 155) [represent absolute figure]. Investment property transferred to Freehold Land during the Year INR 533 (Nil) [represent absolute figure].

Note 4 - Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2026	As at 1 April 2025	Amortisation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Software licenses / implementation Enterprise resource planning (ERP)	4,210	194	-	4,404	3,167	386	-	3,553	851	1,043
Others (Development Cost) *	9,892	48,859	-	58,751	6,048	4,170	-	10,218	48,533	3,844
Total	**14,102**	**49,053**	**-**	**63,155**	**9,215**	**4,556**	**-**	**13,771**	**49,384**	**4,887**

* Includes funding to other development agencies.

Standalone Notes to Accounts

(₹ in Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2025	As at 1 April 2024	Amortisation for the year	Deductions / adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Software licenses / implementation Enterprise resource planning (ERP)	3,452	760	2	4,210	2,539	629	1	3,167	1,043	913
Others (Development Cost) *	9,832	60	-	9,892	4,767	1,281	-	6,048	3,844	5,065
Total	**13,284**	**820**	**2**	**14,102**	**7,306**	**1,910**	**1**	**9,215**	**4,887**	**5,978**

* Includes funding to other development agencies.

i. **Deemed Cost**

On transition to Ind AS (01.04.2015), the company has elected to continue with the carrying value of all its other intangible assets as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of other intangible assets.

ii. **Estimated useful life**

The estimated useful lives of the Other Intangible Assets is as follows :

Asset Class	Years
Software licenses / implementation Enterprise Resource Planning (ERP)	3
Others (Development Cost)	3 - 15

iii. **Amortisation**

Amortisation is calculated on a straight-line basis over the estimated useful lives of the Assets. The amount of amortisation has been recognised as expense in the Statement of Profit and Loss.

iv. **Method of Accounting Amortisation**

Amortisation has been calculated as per the Accounting Policy No. 8 of the Company and recognised as expenses in the Statement of Profit and Loss.

v. Refer Note 30(6) for Contractual Commitments.

vi. **Impairment of Assets**

Refer Note 30(4).

vii. The restriction on the title of the assets is governed by the terms of agreement.

Note 5 - Intangible assets under development

Particulars	As at 31 March 2026	As at 31 March 2025
Internally developed	29,562	66,652
Less : Provision for impairment	(4,996)	(9,170)
	24,566	**57,482**

Standalone Notes to Accounts

(₹ in Lakhs)

Intangible assets under development 2025-26

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	16,711	9,038	1,974	1,839	29,562
Project temporarily suspended	-	-	-	-	-
Provision for impairment	(1,288)	(1,943)	(597)	(1,168)	(4,996)
Total	**15,424**	**7,095**	**1,377**	**671**	**24,566**

Completion schedule - Time or cost over run 2025-26

Intangible assets under development	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Kawach	2,143	-	-	-	2,143
Long Range Land Attack Cruise Missile	-	2,135	-	-	2,135
Drone Elint	1,051	-	-	-	1,05 I
Photonic ESM receiver	1,048	-	-	-	1,048
Vihaang ESM System	947	-	-	-	947
Passive Homing Head	546	-	-	-	546
RSDTS	414	-	-	-	414
Unified video and data recorder	-	345	-	-	345
Weapon Interface Computer (WIC)	335	-	-	-	335
Weapon Management Computer (WMC)	275	-	-	-	275
PGB500	122	-	-	-	122
Total	**6,880**	**2,480**	**-**	**-**	**9,360**

Completion schedule - Suspended projects 2025-26

Intangible assets under development	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	**-**	**-**	**-**	**-**	**-**

Intangible assets under development 2024-25

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	13,892	5,225	4,223	43,191	66,530
Project temporarily suspended	15	52	52	3	122
Provision for impairment	-	-	(170)	(9,000)	(9,170)
Total	**13,906**	**5,277**	**4,105**	**34,194**	**57,482**

Standalone Notes to Accounts

(₹ in Lakhs)

Completion schedule - Time or cost over run 2024-25

Intangible assets under development	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
QRSAM	21,684	-	-	-	21,684
ATULYA	9,125	-	-	-	9,125
Development of DJAG System for Jaguar	6,605	-	-	-	6,605
QT Model for Sarakshi	1,765	-	-	-	1,765
Shatrughat & Samaghat	1,598	-	-	-	1,598
TEJ System	1,147	-	-	-	I,147
Hemo Dialysis Machine	843	-	-	-	843
Himsravan	816	-	-	-	816
Photonic ESM Receiver	801	-	-	-	801
Drone Elint	703	-	-	-	703
EA System	362	-	-	-	362
BLI Receiver	361	-	-	-	361
Unified Video and Data Recorder	274	-	-	-	274
Weapon Management Computer (WMC)	-	239	-	-	239
Weapon Interface Computer (WIC)	-	218	-	-	218
PGB500	117	-	-	-	117
X-Band RF Seeker	-	100	-	-	100
Total	**46,201**	**557**	**-**	**-**	**46,757**

Completion schedule - Suspended projects 2024-25

Intangible assets under development	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project temporarily suspended	-	122	-	-	122
Total	**-**	**122**	**-**	**-**	**122**

i. Refer Note 30 (6) for Contractual Commitments.

ii. **Impairment of Assets :-**

An amount ₹ 4,826 (Nil) was provided as impairment loss since development activity is not being continued at present and also as per company's assessment the probability of generating economic benefit was not certain. An amount of ₹ 9,000 (₹ 7,709) was provided during previous years was written off during current year. (Refer Note 30(4)).

iii. An amount of Nil (₹ 129) charged off to Statement of Profit and Loss.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 6 - Investments

Particulars	As at 31 March 2026	As at 31 March 2025
Fair Valuation of loan given to Subsidiary (Deemed Investment)		
BEL Optronic Devices Ltd., Pune	227	227
(I) Investment in Equity Instruments (Unquoted)		
(a) Subsdiary (at Amortised Cost)		
BEL Optronic Devices Ltd., Pune 9,32,23,820 (9,32,23,820) equity shares of INR 10 each fully paid	18,962	18,962
BEL Thales Systems Limited, Bengaluru 42,63,538 (42,63,538) equity shares of INR 100 each fully paid	4,264	4,264
(b) Associate (at Amortised Cost)		
GE-BE Private Ltd., Bengaluru 26,00,000 (26,00,000) equity shares of INR 10 each fully paid	260	260
BEL IAI Aerosystems Private Ltd., New Delhi 1,64,000 (1,64,000) equity shares of INR 100 each fully paid	164	164
Defence Innovation Organisation, Bengaluru 50 (50) equity shares of INR 1,000 each fully paid	1	1
Electronic Warfare (Defence) Testing Foundation, Chennai 46,960 (46,960) equity shares of INR 1,000 each fully paid	469	469
Communication (Defence) Testing Foundation, Ghaziabad 41,811 (41,811) equity shares of INR 1,000 each fully paid	418	418
UAS Testing Foundation, Kanpur 30,000 (30,000) equity shares of INR 1,000 each fully paid	300	300
(c) Others (at FVOCI) (refer note iii below)		
Mana Effluent Treatment Plant Ltd., Hyderabad 500 (500) equity shares of INR 1,000 each fully paid	19	18
(d) Others (at Amortised Cost)		
LENS Foundation, Chennai 1,54,575 (1,54,575) equity shares of INR 100 each fully paid	155	155
(II) Other Investments (Unquoted)		
a) Investment in Co-operative Societies (at Amortised Cost)*		
Cuffe Parade Persopolis Premises Co-operative Society, Mumbai 40 (40) equity shares ofINR 50 each fully paid	-	-
Sukh Sagar Premises Co-op. Society, Mumbai 10 (10) equity shares of INR 50 each fully paid	-	-
Shri. Sapta Ratna Co-op. Society Ltd., Mumbai 10 (10) equity shares of INR 50 each fully paid	-	-
Dalamal Park Co-op. Society Ltd., Mumbai 5 (5) equity shares of INR 50 each fully paid	-	-
Chandralok Co-op. Housing Society Ltd.,Pune 30 (30) equity shares of INR 50 each fully paid	-	-
b) Others (at FVTPL)		
Life Insurance Corporation of India (Refer Note xi)	61,125	56,800
	86,364	**82,038**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off. The same represents value of share acquired in Housing Societies as per their by-law regulation.

i.

Particulars	2025-26	2024-25
Aggregate value of quoted investments and market value thereof	-	-
Aggregate value of unquoted investments	86,364	82,038
Aggregate amount of impairment in value of investments	-	-

ii. Refer Note 32 for classification of financial instruments.

Standalone Notes to Accounts

(₹ in Lakhs)

iii. a. The Company has designated investment in equity shares of following companies at FVOCI because these equity shares represent investments that are intended to be held for long-term for strategic purposes. Fair Value of the Investment based on Net Asset Value Method is given below·

Particulars	Fair value as at 31 March 2026	Dividend income recognised during 2025-26	Fair value as at 31 March 2025	Dividend income recognised during 2024-25
Mana Effluent Treatment Plant Ltd., Hyderabad	19	-	18	-

b. Company has not received any dividend so far on these Investments.

c. No strategic investments were disposed off during 2025-26, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

iv. **Related party disclosure**

For Related Party Disclosures refer Note 31.

v. An amount of INR 50,000 [represents absolute figure] has been contributed towards equity capital in M/s Defence Innovation Organisation (DIO) during FY 2018-19. DIO was incorporated on 10 April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises in Bengaluru. An amount of ₹ 5,000 has been provided in the books of account towards contribution to initial corpus fund. As on 31.03.2026, pending for disbursement is nil.

vi. An amount of ₹ 164 has been contributed towards equity capital in M/s BEL IAI Aerosystem Private Limited (BIAPL) during FY 2024-25. BIAPL was incorporated on 25 September 2024 under Companies Act, 2013 with an authorised share capital of ₹ 410 (BEL: 40%; IAI 60%) with an objective to establish Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services.

vii. An amount of ₹ 469 has been contributed towards equity capital in M/s Electronic Warfare (Defence) Testing Foundation (EWDTF) during FY 2024-25. EWDTF was incorporated on 21 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,175 (BEL: 40%; HAL 20%, IOL 20%, BDL 10%, TIDCO 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain.

viii. An amount of ₹ 418 has been contributed towards equity capital in M/s Communication (Defence) Testing Foundation (CDTF) during FY 2024-25. CDTF was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,045 (BEL: 40%; HAL 25%, BEML: 25%, AWEIL 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain.

ix. An amount of ₹ 300 has been contributed towards equity capital in M/s UAS Testing Foundation (UASTF) during FY 2024-25. UASTF was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (BEL: 20%; HAL 33.33%, BEML 20%, YIL I 0%, GIL 10% and Endure Air 6.67%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial System (UAS) Domain.

Standalone Notes to Accounts

(₹ in Lakhs)

x. An amount of ₹ 155 has been contributed towards equity capital in M/s LENS (Laboratory for Electro-Optical Navigational System) Foundation during FY 2024-25. LENS was incorporated on 15 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (IOL: 35%; AVNL 35%, BEL 15%, GSL 10% and TIDCO 5%) with an objective of Defence Testing Infrastructure Scheme (DTIS), Laboratory for Electro-Optical Navigational System Domain. However, issued share capital is ₹ 1,031 as on 31.03.2026.

xi. The company has invested its leave Encashment liabilities in LIC's New Group Leave Encashment Plan.

Note 7 - Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Unsecured, Considered Doubtful		
Trade receivables	3,74,781	2,99,650
Less: Provision*	(3,74,781)	(2,99,650)
Sub Total (A)	**-**	**-**
Current		
Secured, considered good	20	189
Unsecured, considered good	12,84,508	9,09,007
Sub Total (B)	**12,84,528**	**9,09,196**
Total (A+B)	**12,84,528**	**9,09,196**

* Includes provision towards Liquidated Damages.

Non Current Trade Receivable 2025-26

Particulars	Unbilled	Billed not due	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	
Undisputed Trade Receivables – considered doubtful	14,338	64	40,073	30,053	58,597	55,369	1,59,906	3,58,400
Undisputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	16,381	16,381
Disputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less : Provision	(14,338)	(64)	(40,073)	(30,053)	(58,597)	(55,369)	(1,76,287)	(3,74,781)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Standalone Notes to Accounts

(₹ in Lakhs)

Current Trade Receivable 2025-26

Particulars	Unbilled	Billed not due	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	
Undisputed Trade receivables – considered good	3,81,931	5,292	5,64,673	1,11,933	1,45,187	51,240	24,272	12,84,528
Undisputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**3,81,931**	**5,292**	**5,64,673**	**1,11,933**	**1,45,187**	**51,240**	**24,272**	**12,84,528**

Non Current Trade Receivable 2024-25

Particulars	Unbilled	Billed not due	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	
Undisputed Trade Receivables – considered doubtful	7,128	168	47,302	18,581	46.483	28,509	1,34,454	2,82,625
Undisputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	284	284
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
Disputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	16,741	16,741
Less : Provision	(7,128)	(168)	(47,302)	(18,581)	(46,483)	(28,509)	(1,51,480)	(2,99,650)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Standalone Notes to Accounts

(₹ in Lakhs)

Current Trade Receivable 2024-25

Particulars	Unbilled	Billed not due	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	
Undisputed Trade receivables – considered good	1,57,827	4,793	4,88,786	79,448	1,08,083	41,809	27,952	9,08,697
Undisputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	498	498
Disputed Trade Receivables – significant credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**1,57,827**	**4,793**	**4,88,786**	**79,448**	**1,08,083**	**41,809**	**28,450**	**9,09,196**

i. Payment Terms

A. In majority of contracts, payment (net of advance received, if any) is due on delivery of items. However, in some contracts a portion of dues (Typically 5% to 10%) is linked to satisfaction of further performance obligation like completion of installation and commission activity etc. In respect of turnkey contracts, payment (net of advance, if any) is linked to achievement of specified milestone.

B. Advance including progressive payments received from customer are classified as contract liability and adjusted on completion of related performance obligation.

C. Amount retained by customer in respect of completed performance obligation, due to linking of payment with completion of other performance obligations in the contract, is classified as contract asset. Balance amount receivable is classified as Trade receivable.

ii. Financial instruments

Refer Note 32 for classification of financial instruments.

iii. Impairment of financial assets

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iv. Related party disclosure

For Related Party Disclosures refer Note 31.

v. Security, Hypothecation etc

Refer Note 34.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 8 - Loans

Particulars	As at 31 March 2026	As at 31 March 2025
Non current		
Unsecured, considered good		
Loans to employees	826	663
	826	**663**
Unsecured, considered doubtful (Others)		
Loans to employees	-	1
Less: Provisions	-	(1)
	-	**-**
Loans to others	132	132
Less: Provisions*	(132)	(132)
	-	**-**
Sub Total (A)	**826**	**663**
Current		
Unsecured, Considered Good		
Loans to related parties**	-	-
Others		
Loans to employees	175	147
Sub Total (B)	**175**	**147**
Total (A+B)	**1,001**	**810**

* Includes ₹ 132 (₹ 132) in respect of loans which are credit impaired.

i. Financial Instruments

Refer Note 32 for classification of financial instruments.

ii. Impairment of Financial Assets

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iii. Related Party Disclosure

For Related Party Disclosures refer Note 31.

iv. Security, Hypothecation etc

Refer Note 34.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 9 - Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Unsecured, Considered Good		
Security deposits	2,293	1,735
Bank deposits with more than 12 months maturity **	-	197
	2,293	**1,932**
Unsecured, Considered Doubtful		
Security deposits	261	119
Less: Provisions	(261)	(119)
	-	**-**
Advance to employees	27	9
Less: Provisions	(27)	(9)
	-	**-**
Advance to others	15	14
Less: Provisions	(15)	(14)
	-	**-**
Receivables other than trade receivables	1,006	1,070
Less: Provisions*	(1,006)	(1,070)
	-	**-**
Other assets	996	576
Less: Provisions	(996)	(576)
	-	**-**
Sub Total (A)	**2,293**	**1,932**
Current		
Unsecured, considered good		
Security deposits	2,068	2,483
Advance to employees	192	165
Advance to others	3	5
Interest accrued but not due on term deposits	4,450	9,707
Receivables other than trade receivables	1,019	1,332
Other assets	8,085	10,208
Sub Total (B)	**15,817**	**23,900**
Total (A+B)	**18,110**	**25,832**

* Refer Note 30 (21).

** An amount of Nil (₹ 197) held as margin money against bank guarantee.

i. Financial Instruments

Refer Note 32 for classification of financial instruments.

ii. Impairment of Financial Assets

Provisions for impairment has been made in line with Accounting Policy No. 30 of the company.

iii. Related Party Disclosure

For related party disclosures refer Note 31.

iv. Net carrying amount of Nil (Nil) has been added in other assets with respect to Property, Plant and Equipment not in active use and pending for disposal.

v. Security, Hypothecation etc

Refer Note 34.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 10 - Deferred tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax assets	90,358	74,798
Deferred tax liabilities	(31,656)	(21,386)
	58,702	**53,412**

i. Income Tax recognised in Statement of Profit or Loss

Sl. No	Particulars	As at 31 March 2026	As at 31 March 2025
1	**Income Tax Expenses:**		
	- Current period	2,06,256	1,76,135
	- Changes in estimates related to earlier years	-	274
2	**Deferred tax:**		
	- Origination and reversal of temporary differences	(3,600)	3,765
3	**Total deferred tax expense/(benefit)**	**(3,600)**	**3,765**
4	**Income tax expenses**	**2,02,656**	**1,80,174**

ii. Income Tax recognised in other comprehensive income

Sl. No	Particulars	As at 31 March 2026			As at 31 March 2025		
		Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
1	Remeasurement of the net defined benefit liability/(asset)	4,634	(1,166)	3,468	1,104	(277)	827
2	Equity instruments through other comprehensive income	1	-	1	2	(1)	1
	Total	**4,635**	**(1,166)**	**3,469**	**1,106**	**(278)**	**828**

iii. Income Tax recognised directly in Equity

There are no income tax recognised directly in equity for the year ended 31 March 2026 & 31 March 2025.

iv. Reconciliation of Effective Tax Rates

Particulars	As at 31 March 2026		As at 31 March 2025	
	Rate	Amount	Rate	Amount
Profit Before Tax		**8,07,504**		**7,08,999**
Tax using the company's Domestic Tax Rate	25.17%	2,03,233	25.17%	1,78,441
Effect of				
Additional deduction on Research & Development Expenses	-	-	-	-
Exempt Income	-	-	-	-
Tax Incentives	-	-	-	-
Changes in estimates related to previous years	-	-	0.04%	274
Non-deductable Expenses	0.33%	2,697	0.60%	4,282
Impact on change in tax rate	-			
Others	-0.41%	(3,274)	-0.40%	(2,823)
Effective Tax rate	**25.10%**	**2,02,656**	**25.41%**	**1,80,174**

Standalone Notes to Accounts

(₹ in Lakhs)

v. Deferred Tax (Assets) and Liabilities are attributable to the following :

Sl. No	Particulars	Deferred Tax (Assets)		Deferred Tax Liability		Net Deferred Tax (Assets)/ Liability	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
1.	Trade Receivables	(19,708)	(12,845)	-	-	(19,708)	(12,845)
2.	Inventory	(13,037)	(15,478)	-	-	(13,037)	(15,478)
3.	Provision others	(32,416)	(21,689)	-	-	(32,416)	(21,689)
4.	Employee Benefits	(21,133)	(19,416)	-	-	(21,133)	(19,416)
5.	Other Intangible Assets	-	-	11,537	90	11,537	90
6.	Deferred Revenue	-	(22)	-	-	-	(22)
7.	Other Assets	-	-	-	-	-	-
8.	Property, Plant and Equipment	-	-	20,115	17,576	20,115	17,576
9.	ICDS Adjustment	-	-	-	-	-	-
10.	Equity Investments	-	-	4	4	4	4
11.	Other Financial Liabilities	-	-	-	8	-	8
12.	Provision for Impairment	(4,064)	(5,348)	-	-	(4,064)	(5,348)
13.	Intangible Assets under development	-	-	-	3,708	-	3,708
14.	**Total**	**(90,358)**	**(74,798)**	**31,656**	**21,386**	**(58,702)**	**(53,412)**
15.	Set off of (Asset)/Liability	31,656	21,386	(31,656)	(21,386)	-	-
	Net Deferred Tax (Asset)/ Liability	**(58,702)**	**(53,412)**	**-**	**-**	**(58,702)**	**(53,412)**

vi. Movement for Deferred Tax (Assets) and Liabilities :

Sl. No	Particulars	Balance as on 01.04.2025	Recognised in P&L during 2025-26	Recognised in OCI during 2025-26	Balance as on 31.03.2026
1.	Trade Receivables	(12,845)	(6,863)	-	(19,708)
2.	Inventory	(15,478)	2,441	-	(13,037)
3.	Provision others	(21,689)	(10,727)	-	(32,416)
4.	Employee Benefits	(19,416)	(27)	(1,690)	(21,133)
5.	Other Intangible Assets	90	11,447	-	11,537
6.	Deferred Revenue	(22)	22	-	-
7.	Other Assets	-	-	-	-
8.	Property, Plant and Equipment	17,576	2,539	-	20,115
9.	ICDS Adjustment	-	-	-	-
10.	Equity Investments	4	-	-	4
11.	Other Financial Liabilities	8	(8)	-	-
12.	Provision for Impairment	(5,348)	1,284	-	(4,064)
13.	Intangible Assets under development	3,708	(3,708)	-	-
	Total	**(53,412)**	**(3,600)**	**(1,690)**	**(58,702)**

Standalone Notes to Accounts

(₹ in Lakhs)

Movement for Deferred Tax (Assets) and Liabilities :

Sl. No.	Particulars	Balance as on 01.04.2024	Recognised in P&L during 2024-2025	Recognised in OCI during 2024-25	Balance as on 31.03.2025
1.	Trade Receivables	(11,312)	(1,533)	-	(12,845)
2.	Inventory	(16,687)	1,209	-	(15,478)
3.	Provision others	(23,854)	2,165	-	(21,689)
4.	Employee Benefits	(18,009)	(1,645)	238	(19,416)
5.	Other Intangible Assets	222	(132)	-	90
6.	Deferred Revenue	(22)	-	-	(22)
7.	Other Assets	-	-	-	-
8.	Property, Plant and Equipment	16,129	1,447	-	17,576
9.	ICDS Adjustment	-	-	-	-
10.	Equity Investments	3	-	1	4
11.	Other Financial Liabilities	8	-	-	8
12.	Provision for Impairment	(7,602)	2,254	-	(5,348)
13.	Intangible Assets under development	3,708	-	-	3,708
	Total	**(57,416)**	**3,765**	**239**	**(53,412)**

vii. Unrecognised Deferred Tax (Assets) / Liabilities :

There are no temporary differences on which deferred tax (Assets) /Liability have not been recognised for the year ended 31 March 2026 & 31 March 2025.

viii. Tax Losses carried forward :

There are no Tax Losses on which Deferred Tax Asset has been recognised for the year ended 31 March 2026 & 31 March 2025.

Note 11 - Inventories

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Raw Materials & Components	50,845	61,160
Add: Raw Materials & Components in Transit	72	64
Less: Provisions	(50,917)	(61,224)
	-	-
Stock in Trade	539	8
Less : Provisions	(539)	(8)
	-	-
Stores & Spares	288	202
Less : Provisions	(288)	(202)
	-	-
Loose Tools	57	65
Less: Provisions	(57)	(65)
	-	-
Sub Total (A)	-	-
Current		
Raw Materials & Components	5,51,368	5,15,017
Add: Raw Materials & Components in Transit	27,687	18,339
	5,79,055	**5,33,356**
Work In Progress	3,70,682	3,33,721
Finished Goods	39,765	29,099
Add: Finished Goods in Transit	15,160	5,316
	54,925	**34,415**

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Stock in Trade	527	1,119
Add: Stock in Trade in Transit	128	322
	655	**1,441**
Stores & Spares	2,248	2,269
Add: Stores & Spares in Transit	-	6
	2,248	**2,275**
Loose Tools	1,346	1,251
Add: Loose Tools in Transit	-	2
	1,346	**1,253**
Disposal Scrap	508	505
	508	**505**
Sub Total (B)	**10,09,419**	**9,06,966**
Total (A+B)	**10,09,419**	**9,06,966**

i. Raw Materials and Components include ₹ 24,487 (₹ 15,762) being materials with sub-contractors, out of which ₹ 19 (₹ 85) of materials is subject to confirmation and reconciliation. Against ₹ 19 (₹ 85) an amount of ₹ 19 (₹ 84) has been provided for.

ii. Raw Material and Components (RMC) Stock verification discrepancies for the year are as follows :

Shortages of ₹ 1,377 (₹ 3,263) and surplus of ₹ 423 (₹ 587). Pending reconciliation, an amount of ₹ 340 (₹ 2,630) has been provided for.

iii. Valuation of Inventories has been made as per Company's Accounting Policy No. 18.

iv. A. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO2EQ carbon credit for the 2.5 MW BEL Grid Connected Wind Power Project Davangere District, Karnataka for the verification period from 05.11.2007 to 31.03.2012 (05.11.2007 to 31.03.2009). The carbon credits are included under Finished Goods at a value of ₹ 2 (₹ 2). The CER is valued at cost as required by Guidance Note on CER issued by ICAI.

B. CER under Certification : Nil (Nil) CERs.

C. Depreciation & Operation Cost of Emission Reduction Equipment during the year :

Sl. No.	Particulars	2025-26	2024-25
i.	Depreciation	313	305
ii.	Operation Cost of Emission Reduction Equipment	98	240
Total		**411**	**545**

v. Security, Hypothecation etc

Refer Note 34.

vi. Amount recognised in Statement of Profit & Loss

Write-down of inventories (including stock verification discrepancies) to net realisable value amounted to ₹ 3,076 (₹ 1,282) has been recognised in the statement of profit and loss for Work in progress and Finished goods.

vii. Reversal of write down of inventories (including stock verification discrepancies) of ₹ 228 (₹ 1,146) has been made during the year, which were recognised as an expenses in the previous year for Work in progress and Finished goods.

Standalone Notes to Accounts

(₹ in Lakhs)

viii. Impairment of Assets

Provisions for inventory has been made in line with Accounting Policy No. 18 of the Company.

ix. Materials amounting to ₹ 13,948 (₹ 5,884) are located physically at Customer Premises.

x. The Company has received/retained the assets of the customer as per the contractual terms and those do not form part of the inventory.

Note 12 - Other assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Capital advances	1,184	1,294
	1,184	**1,294**
Advances other than Capital advances		
Advances for purchase	252	422
Less: Provisions	(252)	(422)
	-	**-**
Contract asset	44,147	59,338
Less: Provisions	(44,147)	(59,338)
	-	**-**
Others		
Balances with customs, port trust and other government authorities	743	843
Less: Provisions	(743)	(843)
	-	**-**
Prepaid expenses	36	73
Claims receivable purchases	701	930
Less: Provisions	(701)	(930)
	-	**-**
Contract costs	19,595	18,010
Less: Provisions	2	2
	19,593	**18,008**
Others - Assets	-	8
Less: Provisions	-	(8)
	-	**-**
Sub Total (A)	**20,813**	**19,375**
Current		
Advances other than capital advances		
Advances to employees	546	432
Advances for purchase	1,01,920	1,00,553
Contract asset	3,97,221	4,46,971
Others		
Balances with customs, port trust and other government authorities	79,047	60,592
Prepaid expenses	951	1,191

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Prepaid taxes	4,676	2,943
Claims receivable purchases	4,072	5,651
Contract costs	8,658	28,597
Others - Assets	539	699
Sub Total (B)	**5,97,630**	**6,47,629**
Total (A+B)	**6,18,443**	**6,67,004**

i. Impairment of Assets

Provisions for impairment of non financial assets has been made in line with accounting policy No. 13 of the company.

ii. Related Party Disclosure

For related party disclosures refer Note 31.

iii. Closing balance of contract costs represents, cost to obtain the contract from customer ₹ 12,922 (₹ 281) & cost to fulfill contract is ₹ 15,329 (₹ 46,324).

iv. Amortisation and Impairment of Contract Costs

Amortisation of contract costs determined based on the period of benefit expected from the contract cost is ₹ 36,961 (₹ 20,139). Impairment of contract costs recognised is Nil (Nil).

v. Impairment of a contract asset

Impairment of a contract asset charged during the year is ₹ 5,196 (₹ 17,027).

vi. Security, Hypothecation etc

Refer Note 34.

Note 13 - Cash & cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with banks	41,193	48,167
Cash on hand	-	1
Term deposits	1,41,500	20,000
	1,82,693	**68,168**

i. Refer Note 32 for classification of financial instruments.

ii. There are no repatriation restrictions with regard to cash and cash equivalents.

iii. Cash and cash equivalents includes Term Deposits with original maturity period up to three months. Term Deposits with original maturity period beyond Three months upto Twelve months have been included in Bank balances (Refer Note 14) and Term Deposits with maturity period beyond Twelve months have been included in Other financial assets (Refer Note 9).

iv. Security, Hypothecation etc

Refer Note 34.

v. Balance with banks include: Pursuant to Stay Order received from the Excise and Taxation Department Gurugram (South), bank authorities have held ₹ 21(Nil) based on the Garnishee order issued by the Excise and Taxation Officer, Gurugram.

vi. Balance with banks include: Pursuant to Stay Order received from the Police Station Chandigarh, bank authorities have held ₹ 363 (Nil) based on the Garnishee order issued by the Station House Officer, Chandigarh.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 14 - Bank balances [other than (ii) above]

Particulars	As at 31 March 2026	As at 31 March 2025
Term deposits**	6,52,338	8,66,600
Unpaid dividend account*	6,836	4,962
	6,59,174	**8,71,562**

* Includes ₹ 6,403 (₹ 4,606) of tax withheld on distribution of dividend.

**An amount of ₹ 6,338 held as margin money against bank guarantee.

i. Refer Note 32 for classification of financial instruments.

ii. There are no repatriation restrictions with regard to bank balances.

iii. Security, Hypothecation etc

Refer Note 34.

Note 15 - Current tax assets / liability

Particulars	As at 31 March 2026	As at 31 March 2025
Current tax assets (net)		
Advance payment of income tax	27,904	35,149
	27,904	**35,149**
Current tax liability (net)		
Provision for taxation	-	-
	-	**-**

Note 16

A. Equity share capital

	Particulars	As at 31 March 2026	As at 31 March 2025
i.	**Authorised capital**		
	750,00,00,000 (750,00,00,000) Equity Shares of INR 1(INR 1) each	75,000	75,000
ii.	**Issued, subscribed & fully paid-up capital**		
	730,97,78,829 (730,97,78,829) Equity Shares of INR 1(INR 1) each	73,098	73,098

iii. Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	7,30,97,78,829	73,098	7,30,97,78,829	73,098
Add : Shares issued during the year	-	-	-	-
Less : Shares Bought Back during the year	-	-	-	-
Shares outstanding at the end of the reporting period	7,30,97,78,829	73,098	7,30,97,78,829	73,098

Standalone Notes to Accounts

(₹ in Lakhs)

iv. Shares in the company held by each share holder holding more than 5%.

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Government of India	3,73,79,21,934	51.14%	3,73,79,21,934	51.14%

v. Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the previous 5 years.

Equity shares allotted as fully paid up by way of bonus shares -

Year	2021-22	2022-23	2023-24	2024-25	2025-26
No. of shares	-	4,87,31,85,886	-	-	-

vi. Aggregate number and class of shares bought back during the previous 5 years.

Equity shares bought back

Year	2021-22	2022-23	2023-24	2024-25	2025-26
No. of shares	-	-	-	-	-

	Particulars	As at 31 March 2026	As at 31 March 2025
vii.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment	-	-
viii.	The aggregate value of calls unpaid (including Directors and Officers of Company)	-	-
ix.	Shares forfeited	-	-

x. 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.

xi. Interim Dividend and Final Dividend

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Final dividend for FY 2024-25 and FY 2023-24 respectively	65,788	58,478
Interim dividend for FY 2025-26 and FY 2024-25 respectiyely	1,42,541	1,09,647

Standalone Notes to Accounts

(₹ in Lakhs)

B. Nature and purpose of Reserves

a. Capital Reserve

Capital Reserve is created by transfer from Retained earnings an amount equal to capital profit earned by the company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b. Capital Redemption Reserve

Capital Redemption Reserve is created by transfer from General Reserve an amount equal to face value of the Shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

c. Equity Investment through Other Comprehensive Income (OCI)

The company has elected to recognise changes in fair value of certain equity investments in other comprehensive income. The change in fair value is accumulated in this reserve. If and when the investment is de-recognised the accumulated amount will be transferred to Retained earnings.

d. Other Comprehensive Income (OCI)

Other comprehensive income are those gains or losses which are not yet realised and excluded from the statement of profit and loss. It mainly consists of remeasurement of the net defined benefit liability/asset (net of tax).

xii. Government of India being the Promoter holding 51.14% (51.14%) of Shares as on 31.03.2026. No. of Equity Shares held as on Balance Sheet date is 373,79,21,934 (373,79,21,934).

Note 17 - Deferred income

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Government grants - deferred	5,640	5,387
Sub Total (A)	**5,640**	**5,387**
Current		
Government grants - deferred	389	308
Sub Total (B)	**389**	**308**
Total (A+B)	**6,029**	**5,695**

I. Refer Accounting Policy 16 for method of presentation.

	Particulars	As at 31 March 2026	As at 31 March 2025
II.	Nature of utilisation of govt. grant		
	a. Revenue Expenditure	-	-
	b. Capital Expenditure		
	i. Property, Plant and Equipment	6,029	5,695
III.	Other forms of government assistance that has directly benefited the company	-	-
IV.	Details of unfulfilled conditions attached to govt. grant	-	-
V.	Contingencies attached to govt. grant	-	-

VI. The above grants received represents viability gap funding towards Solar Power Plants, assistance towards rooftop solar systems.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 18 - Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Secured		
Term loan from banks	-	-
Sub Total (A)	**-**	**-**
Current		
Other borrowings	-	-
Current maturities of long term debt	-	-
Sub Total (B)	**-**	**-**
Total (A+B)	**-**	**-**

i. The monthly statements of current assets have been filed by the Company and they are in agreement with the books of accounts.

Note 19 - Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Sub Total (A)	**-**	**-**
Current		
- Dues to Micro & Small Enterprises	21,270	17,338
- Others	3,32,959	3,14,167
Sub Total (B)	**3,54,229**	**3,31,505**
Total (A+B)	**3,54,229**	**3,31,505**

Non Current Trade Payable 2025-26

Particulars	Unbilled	Billed not due	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Standalone Notes to Accounts

(₹ in Lakhs)

Current Trade Payable 2025-26

Particulars	Unbilled	Billed not due	Outstanding for following periods from due date of payment				Total
			< 1 year	1-2 years	2-3 years	More than 3 years	
MSME	5,194	15,644	197	31	45	1	21,113
Others	46,275	1,84,051	82,765	15,552	2,324	1,736	3,32,705
Disputed dues - MSME	-	158	-	-	-	-	158
Disputed dues - Others	-	203	-	-	-	52	255
Total	**51,469**	**2,00,055**	**82,962**	**15,584**	**2,369**	**1,789**	**3,54,229**

Others includes dues outstanding to Medium Vendors.

Non Current Trade Payable 2024-25

Particulars	Unbilled	Billed not due	Outstanding for following periods from due date of payment				Total
			< 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Current Trade Payable 2024-25

Particulars	Unbilled	Billed not due	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	More than 3 years	
MSME	3,179	9,179	4,751	71	-	-	17,180
Others	39,003	1,51,269	1,09,097	6,983	3,938	3,622	3,13,912
Disputed dues - MSME	-	158	-	-	-	-	158
Disputed dues - Others	-	203	-	-	-	52	255
Total	**42,183**	**1,60,808**	**1,13,848**	**7,054**	**3,938**	**3,675**	**3,31,505**

Others includes dues outstanding to Medium Vendors.

i. The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprise Developement (MSMED) Act, 2006 as on 31 March 2026 is furnished below

Particulars	2025-26	2024-25
a. The principal and the interest due thereon remaining unpaid as at 31 March :		
Principal *	23,572	18,505
Interest	7	19
b. The interest paid by the Company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31 March :		
Principal	-	-
Interest	14	17
c. The interest reversed by the company during the year ended 31 March	3	5

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars		2025-26	2024-25
d.	Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
e.	Interest accrued and remaining unpaid at the end of the year ending 31 March.	7	19
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	2	2

* Includes amount shown under Note 20.

ii. Financial Instruments

Refer Note 32 for classification of financial instruments.

iii. Related Party Disclosure

For Related Party Disclosures refer Note 31.

iv. The exposure of company to currency and liquidity risk related to Trade Payables is disclosed at Note 33.

v. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small enterprises on the basis of information available with the Company.

Note 20 - Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non current		
Security deposits including retention money	2,232	1,457
Sub Total (A)	**2,232**	**1,457**
Current		
Security deposits including retention money	51,592	43,644
Interest accrued and due on trade payables*	7	19
Non trade Payables - Others**	10,094	10,603
Unpaid matured deposits	37	37
Unpaid dividend	433	356
Non trade payables dues to micro and small enterprises	2,302	1,167
Outstanding expenses***	91,287	78,900
Other liabilities	1,899	1,800
Sub Total (B)	**1,57,651**	**1,36,526**
Total (A+B)	**1,59,883**	**1,37,983**
Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date	Nil	Nil

* Refer Note 19.

** Includes amount payable relating to Capital items.

*** Includes provision towards unspent CSR expenditure of ₹ 12,964 (₹ 9,532).

i. Financial instruments

Refer Note 32 for classification of financial instruments.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 21 - Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Employee benefits		
Long - term compensated absences	51,220	51,515
Provident fund Interest obligation	10,172	3,458
Others		
Provision for onerous contracts	12,305	376
Provision for performance warranty	31,380	31,634
Provision for Site restoration obligation	2,547	2,493
Sub Total (A)	**1,07,624**	**89,476**
Current		
Employee Benefits		
Gratuity	6,486	2,099
Long-term compensated absences	7,391	7,257
BEL retired employees' contributory health scheme (BERECHS)	8,686	12,756
Provident fund interest obligation	2,135	2,182
Others		
Provision for performance warranty	51,288	43,237
Provision for onerous contracts	9,078	5,476
Sub Total (B)	**85,064**	**73,007**
Total (A+B)	**1,92,688**	**1,62,483**

i. Movement of provisions for the year ended 2025-26

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	74,871	5,852	2,493
Additional provision recognised during the year	47,994	18,948	54
Amount used during the year	-	-	-
Amount reversed during the year	40,197	3,417	-
As at 31 March	**82,668**	**21,383**	**2,547**

Movement of provisions for the year ended 2024-25

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	80,101	8,778	2,448
Additional provision recognised during the year	32,001	3,642	54
Amount used during the year	-	-	-
Unused amount reversed during the year	37,231	6,568	-
As at 31 March	**74,871**	**5,852**	**2,493**

Standalone Notes to Accounts

(₹ in Lakhs)

ii. Provision for Warranties - as per Accounting Policy No. 20 of the Company.

Provision for warranties is made in respect of products whose normal warranty period is outstanding. As the warranty provision period varies from product to product, provision is made at Strategic Business Unit (SBU) level based on average period of warranty period. Provision is made based on trend based estimate of the likely expenses to be incurred. The provision is measured at the present value of the estimated cost of Warranty.

iii. Provision for Site restoration - as per Accounting Policy No. 23 of the Company.

In accordance with the terms and conditions of the Lease agreement entered into with Lessor, the company is required to return the land in its original condition. Accordingly provision in respect of Site restoration obligation has been made. The provision required is reviewed and required adjustment made at each year end.

The provision is measured at the present value of the best estimate of the cost of restoration.

iv. Provision for Onerous contracts - as per Accounting Policy No. 23 of the Company.

In respect of certain contracts entered into by the company, it is expected that the likely cost to complete the contract would exceed the Revenue received / receivable against the contract. In such cases, provision in respect of the expected losses has been made. The provision required is reviewed and required adjustment made at each year end. The provision is measured at the present value of the best estimate of loss likely to be incurred.

v. Performance warranty obligation in respect of sale where back to back warranty of vendor is available, potential liability, if any, in the event of default of vendor is not ascertainable and not expected to be significant.

vi. An amount of ₹ 18,932 (₹ 13,622) has been debited against Natural Code Heads with respect to Warranty Cost.

(A) POST EMPLOYMENT BENEFIT OBLIGATION

(i) GRATUITY:

The Company provides gratuity to employees in India as per payment of Gratuity Act, 1972. The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits fund to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay gratuity to an employee at the rate of fifteen days salary based on the last drawn basic & dearness allowance.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation :

Particulars		2025-26	2024-25
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation as at the beginning of the year	69,146	69,932
	Current Service Cost	1,748	1,400
	Interest Cost	4,378	4,599
	Past Service Cost	10,173	-
	Benefits paid	(7,998)	(7,894)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on planned liability - loss / (gains)	(5,488)	1,437
	Experience adjustments on planned liability - loss / (gains)	625	(328)
	Present Value of Obligation as at the end of the period	**72,584**	**69,146**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	67,047	67,802
	Expected return on plan assets	4,307	4,525
	Contributions	2,099	2,130
	Benefits paid	(7,998)	(7,894)
	Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	643	484
	Fair value of plan assets as at the end of the period	**66,098**	**67,047**
	Defined benefit (Asset) / liability	**6,486**	**2,099**
	Effects of asset ceiling - As at the beginning of the year	**-**	**-**
	Effects of asset ceiling - As at the end of the year	**-**	**-**
	Net defined benefit (asset) / liability	**6,486**	**2,099**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	1,748	1,400
	Net Interest on Net Defined Benefit Obligations	71	75
	Past service cost	10,173	-
	Expenses recognized in the statement of profit and loss	11,992	1,475
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	(4,863)	1,109
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	(643)	(484)
	Effect of Balance Sheet Asset limit	-	-
	Amounts recognised in the statement of Other Comprehensive Income	(5,506)	625
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	72,584	69,146
	Fair Value of Plan Assets at the end of the period	66,098	67,047
	Funded Status [(Surplus) / Deficit]	**6,486**	**2,099**
	Effects of asset ceiling - As at the beginning of the year	**-**	**-**
	Effects of asset ceiling - As at the end of the year	**-**	**-**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**6,486**	**2,099**
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows :		
	State Govt. Securities	-	-
	Govt. of India Securities	-	-
	High Quality Corporate Bonds	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Special Deposit Scheme	-	-

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars		2025-26	2024-25
	Investment with Insurer	99.99%	99.99%
	Others (Bank balance)	0.01%	0.01%
vii)	**Actuarial Assumptions :**		
	Discount Rate	7.60%	6.72%
	Rate of increase in compensation level	7.00%	7.00%
	Expected rate of Return on Plan Assets	7.60%	6.72%
	Estimated Average Future working life	16.70	15.20
viii)	**Best Estimate of Contribution to be paid :**		
	The best estimate of contribution to be paid towards Gratuity during the annual period beginning after the Balance Sheet is ₹ 6486 (₹ 2099).		
ix)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	8.10%	7.22%
	Increase/(decrease) in defined benefit Obligation as at the end of the period	(2,950)	(2,819)
	Discount Rate (0.50% movement)decrease	7.10%	6.22%
	Increase/(decrease) defined benefit Obligation as at the end of the period	3,201	3,056
	Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	1,041	633
	Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
	Increase/(decrease) defined benefit Obligation as at the end of the period	(1,081)	(672)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year

iii. Maturity profile of the Gratuity defined benefit obligation is given below:

Year	As at 31 March 2026	As at 31 March 2025
Year 1	5003	4657
Year 2	13417	12477
Year 3	8740	7543
Year 4	7390	7477
Year 5	6025	6344
Next 5 years	23413	21090

(ii) BEL RETIRED EMPLOYEES CONTRIBUTORY HEALTH SCHEME (BERECHS) :

The Company has a contributory health scheme for its retired employees "BEL Retired Employees' Contributory Health Scheme" (BERECHS), which is a funded scheme. Company remits fund to the BREM Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation.The primary objective of the scheme is to provide medical facilities to employees retiring on attaining the age of superannuation, or on VRS. Benefits under the Scheme shall be available to the employees who become member and their spouses only.

Standalone Notes to Accounts

(₹ in Lakhs)

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation :

Particulars		2025-26	2024-25
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	1,72,457	1,57,103
	Current Service Cost	9,049	8,232
	Interest Cost	11,292	10,649
	Past service cost	5,052	4,832
	Benefits paid	(8,829)	(8,655)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on plan liability - loss / (gains)	(28,046)	(6,802)
	Experience adjustments on plan liability - loss / (gains)	23,595	7,098
	Impact on Change in Demographic assumption on Plan liabilities - loss / (gains)	-	-
	Present Value of Obligation as at the end of the period	**1,84,570**	**1,72,457**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	1,59,700	1,43,636
	Expected return on plan assets	10,864	10,179
	Direct Contributions to meet direct benefit payment	-	-
	Benefit paid	(8,829)	(8,655)
	Actuarial gain / (loss) on plan Assets recognised in other comprehensive income	1,392	1,073
	Contribution to plan assets	12,757	13,467
	Fair value of plan assets at the end of the period	**1,75,884**	**1,59,700**
	Defined benefit (Asset) / liability	**8,686**	**12,757**
	Effects of asset ceiling - As at the beginning of the year	-	-
	Effects of asset ceiling - As at the end of the year	-	-
	Net defined benefit (asset) / liability	**8,686**	**12,757**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	9,049	8,232
	Net Interest on net defined benefit obligation	429	469
	Past service cost	5,052	4,832
	Net Expenses Recognised in the Statement of Profit & Loss	**14,530**	**13,533**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on plan Obligations	(4,451)	296
	Difference between Actual Return and expected Interest on Plan Assets (gain)/loss	(1,392)	(1,073)
	Amounts recognised in the statement of Other Comprehensive Income	**(5,843)**	**(777)**
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	1,84,570	1,72,457
	Fair Value of Plan Assets at the end of the period	1,75,884	1,59,700
	Funded Status [(Surplus) / Deficit]	**8,686**	**12,757**
	Effects of asset ceiling - As at the beginning of the year	**-**	**-**
	Effects of asset ceiling - As at the end of the year	**-**	**-**
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**8,686**	**12,757**

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars		2025-26	2024-25
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows:		
	Government of India Securities	-	-
	State Government Securities	-	-
	High Quality Corporate Bonds	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Special Deposit Scheme	-	-
	Funds managed by Insurer	99.99%	99.99%
	Others (Bank balance)	0.01%	0.01%
vii)	**Actuarial Assumptions :**		
	Discount Rate	7.60	6.72
	Medical inflation rate	6.50	6.50
	Attrition Rate	1.50	1.50
viii)	**Best Estimate of Contribution to be paid :**		
	The best estimate of contribution to be paid towards BERECHS during the annual period beginning after the Balance Sheet is ₹ 8,686 (₹ 12,757).		
ix)	**Effect of a one percentage point increase in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :**		
	Effect on the aggregate of the service cost and interest cost	4,181	3,613
	Effect on the defined benefit obligation	32,497	30,148
	Effect of a one percentage point decrease in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :		
	Effect on the aggregate of the service cost and interest cost	(3,216)	(2,790)
	Effect on the defined benefit obligation	(25,002)	(23,277)
x)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement) increase	8.10	7.22
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(13,104)	(12,287)
	Discount Rate (0.50% movement) decrease	7.10	6.22
	Increase/(decrease) Defined benefit Obligation as at the end of the period	15,057	14,109
	Medical Inflation Rate (0.50% movement) increase	7.00	7.00
	Increase/(decrease) Defined benefit Obligation as at the end of the period	15,148	14,070
	Medical Inflation Rate (0.50% movement) decrease	6.00	6.00
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(13,289)	(12,365)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

Standalone Notes to Accounts

(₹ in Lakhs)

iii. Maturity profile of the BERECHS defined benefit obligation is given below:

Year	As at 31 March 2026	As at 31 March 2025
Year 1	8572	8801
Year 2	9261	9178
Year 3	9840	9521
Year 4	10388	9836
Year 5	10903	10120
Next 5 years	61693	54593

* Sum of ₹ 552 (₹ 749) paid towards BERECHS expenditure is due from BREM Trust and the same is included in PVO.

(iii) EMPLOYEES PROVIDENT FUND [INTEREST SHORTFALL] :

Employees Provident Fund is managed by Provident Fund Trust of the Company. The Company contributes Management's contributions payable towards Employee Provident Fund to the Trust.

The Contribution made by the company and shortfall of interest if any, is recognised as an expense in statement of profit and loss under Employee benefits expense. In accordance with the actuarial valuation of provident fund liabilities and based on the assumptions, there is a shortfall in interest cost as the present value of the expected future earnings of the fund is less than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of the provident fund trust.

Particulars		2025-26	2024-25
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	3,74,304	4,23,730
	Current Service Cost	13,366	12,923
	Interest Cost	24,594	26,684
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Actuarial (gain) / Loss	4,124	5,659
	Benefits paid/payable	(84,063)	(1,51,940)
	Contributions	54,068	57,248
	Present Value of Obligation as at the end of the period	**3,86,393**	**3,74,304**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	3,76,373	4,19,321
	Expected return on plan assets	24,734	26,377
	Contributions*	67,433	70,171
	Benefit paid	(84,063)	(1,51,940)
	Actuarial gain / (loss) on Plan Assets	(7,263)	12,444
	Fair value of plan assets at the end of the period	**3,77,214**	**3,76,373**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	13,366	12,923
	Interest Cost	24,594	26,684
	Expected return on Plan Assets	(24,734)	(26,377)

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars		2025-26	2024-25
	Net Actuarial (gain) / loss recognised in the period	-	-
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Expenses Recognised in the Statement of Profit & Loss	**13,226**	**13,230**
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,86,393	3,74,304
	Fair Value of Plan Assets at the end of the period	3,77,214	3,76,373
	Effect of Balance Sheet asset limit	993	5,527
	Difference	**10,172**	**3,458**
	Unrecognised Actuarial (gains) / losses	-	-
	Liability recognised in Balance Sheet	**10,172**	**3,458**
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,86,393	3,74,304
	Plan Assets	3,77,214	3,76,373
	Effect of Balance Sheet asset limit	993	5,527
	Surplus/ (Deficit)	(10,172)	(3,458)
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(4,810)	(5,492)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	(7,263)	12,444
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	4,124	5,659
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	7,263	(12,444)
	Effect of Balance Sheet asset limit	(1,215)	10,244
	Amounts recognised in the statement of Other Comprehensive Income	10,172	3,458
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	53.40%/41.36%	51.83%/40.94%
	High Quality Corporate Bonds	33.49%/36.72%	35.39%/32.08%
	Mutual Funds	4.50%/7.39%	4.46%/4.88%
	Others	6.13%/8.93%	6.05%/17.14%
	Recoverable from Enterprise **	2.48%/5.60%	2.27%/4.96%
	Total	**100%/100%**	**100%/100%**
viii)	**Actuarial Assumptions :**		
	Discount Rate	7.60%	6.72%
	Salary escalation rate	7.00%	7.00%
	Expected rate of Return on Plan Assets	7.83%/8.13%	7.87%/8.10%

* Note: Includes ₹ 2,135 (₹ 2,182) towards interest shortfall of the provident fund Trust for the current year and provided.

** Note: The unsecured/secured (principal) portion of the investment which amounts to ₹ 11,149 (₹ 12,077) has been considered by the Trust as a Non-Performing Investment and this amount has been classified as an amount recoverable from the enterprise in the event of default/loss on sale of asset and accordingly provided.

Standalone Notes to Accounts

(₹ in Lakhs)

B. Long Term Compensated Absence :

The Company has a Long Term Compensated Absence Scheme for its employees, which is a Non-Funded Scheme. The employees of the Company are entitled to two types of Long Term Compensated Absences: Annual Leave (AL) & Half Pay Leave (HL) in case of Executives and Annual Leave (AL) & Sick Leave (SL) in case of Non-Executives. The scheme provides for compensation to employees against the unavailed Leave (AL & HL in case of Executives and AL & SL in case of Non-Executives) on attaining the age of superannuation, VRS or death. AL can also be encashed during service or at the time of resignation.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amount recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary :

Particulars		2025-26	2024-25
i)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Net Expenses Recognised in the Statement of Profit & Loss [2025-26 Leave Encashed : ₹ 2539 , Provisions : ₹ -161] [2024-25 Leave Encashed : ₹ 3158, Provisions : ₹ 5,195]	2,378	8,353
ii)	**Amounts to be recognised in Balance Sheet :**		
	Liability recognised in Balance Sheet [As per Actuarial Valuation]	58,610	58,772
iii)	**Actuarial Assumptions :**		
	Discount Rate	7.60%	6.72%
	Rate of increase in compensation level	7.00%	7.00%
iv)	Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months/beyond 12 months.		
	Current leave obligations expected to be settled within the next 12 months	7,391	7,257
	Leave obligations expected to be settled beyond 12 months	51,219	51,515
	Total	**58,610**	**58,772**

C. Pension Scheme :

The Company has got a defined contribution pension benefit plan for the benefit of its employees in respect of which contribution is made on an annual basis to a Trust setup for this purpose.

The benefit under the scheme are available for the employees as per the rules laid down in this regard.

i) A narrative description of the specific or unusual risks arising from a defined benefit plan (i.e. Gratuity and BERECHS)

The specific risk relating to defined benefit plans are as follows :-

Movement in long term government bond rate between two reporting periods which will impact discount rate and consequently the present value of obligations.

Risk of higher / lower salary escalation / benefit as considered for valuation vis-a-vis the actual experience through the Financial Year.

However, both the risks are mitigated on a regular basis i.e. yearly as valuations are done after every year based on updated assumptions.

Standalone Notes to Accounts

(₹ in Lakhs)

ii) A narrative description of any asset-liability matching strategies.

The gratuity Plan and BERECHS Medical Plan of the company is a funded plan. The assets backing this plan are predominantly insurer-managed funds. Hence the company has limited flexibility in terms of implementing asset-liability matching strategies for this plan.

iii) A description of the funding arrangements and funding policy.

a) The Gratuity plan of the company is a funded plan. 99.99 % (99.99%) of the plan assets backing this plan are insurer managed assets and Nil (Nil) of the plan assets are invested in Central and State Government Securities. The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.

b) The BERECHS Medical plan of the company is a funded plan. 99.99% (99.99%) of the plan assets backing this plan are insurer managed assets. The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.

Note 22 - Other liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Sub Total (A)	**-**	**-**
Current		
Contract liability		
- Deferred revenue	10,547	6,525
- Customer advance received	12,55,051	13,89,862
Statutory liabilities	50,057	26,335
Others	4,253	5,529
Sub Total (B)	**13,19,908**	**14,28,251**
Total (A+B)	**13,19,908**	**14,28,251**

i. Related Party Disclosure

For Related Party Disclosures refer Note 31.

ii. Revenue recognised during the period is ₹ 5,10,684 (₹ 6,75,683) that was included in the contract liability balance at the begining of the period.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 23 - Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of Products	24,06,313	20,82,998
Income from Services	2,61,645	2,19,412
Revenue from Contracts with customers	**26,67,958**	**23,02,410**
Other operating revenue		
Sale of scrap	1,460	1,278
Transport receipts	271	258
Rent receipts	728	814
Canteen receipts	1,812	1,582
Electricity charges collected	203	169
Water charges collected	60	58
Provisions withdrawn		
- Onerous contracts (net)	-	2,926
- Doubtful debts, liquidated damages	36,430	13,723
- Inventory	3,907	4,266
- Loans & advances	758	332
- Performance warranty	-	5,231
- Others	3	129
	41,098	**26,607**
Government grants including duty drawback	3,097	1,761
LD recovered from vendors	24,927	24,185
Miscellaneous	6,349	6,679
Total other operating revenue	**80,005**	**63,391**
Total revenue from operations	**27,47,963**	**23,65,801**

(i) Disaggregation of revenue recognised against contracts with customers (2025-26)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	21,49,467	1,14,508	14,252	1,28,086	24,06,313
Income from Services	2,01,824	50,918	3,865	5,038	2,61,645
Total	**23,51,291**	**1,65,426**	**18,117**	**1,33,124**	**26,67,958**

Disaggregation of revenue recognised against contracts with customers (2024-25)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Products	19,06,005	85,357	9,322	82,314	20,82,998
Income from Services	1,60,515	46,892	5,084	6,921	2,19,412
Total	**20,66,520**	**1,32,249**	**14,406**	**89,235**	**23,02,410**

Standalone Notes to Accounts

(₹ in Lakhs)

(ii) Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price.

Particulars	2025-26		2024-25	
	Amount	Amount	Amount	Amount
Revenue as per Statement of Profit and Loss				
Sale of Products	24,06,313		20,82,998	
Income from Services	2,61,645		2,19,412	
Total (a)		**26,67,958**		**23,02,410**
Add / (Less) adjustment to contract price				
Foreign Exchange variation claim	(39,165)		(41,676)	
Price revision	(21,693)		547	
Discount and rebate offered	7		16	
Others	(3,002)		(2,745)	
Total adjustment (b)		**(63,853)**		**(43,858)**
Contract price (a + b)		**26,04,105**		**22,58,552**

Satisfaction of performance obligation

A. 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. Where a contract involves multiple performance obligation, the criteria specified in Ind AS 115 is applied to determine the point in time when the performance obligation is satisfied.

B. Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract. Normally no obligation towards custodial service exists.

C. Contract with the customer normally do not contain significant financing component and any advance payment received and /or amount retained by customer is with intention of protecting either parties to the contract.

D. Variable consideration primarily consists of amount receivable/reimbursable against foreign exchange variation clause. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue on accrual basis.

E. The company's turnover mainly includes supply of defence electronics equipments and systems.

F. Contract entered into with customer, typically do not have a return/refund clause.

G. Warranties provided are primarily in the nature of performance warranty.

H. The company normally uses the input method to recognise revenue in respect of contracts in which performance obligation are satisfied over a period of time. For revenue recognition, the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised.

I. Contract with customer (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments, networking of equipment and system etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e., output) reliably. Whereas, under input method, the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably), for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

Standalone Notes to Accounts

(₹ in Lakhs)

J. 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"

- Control is not retained
- 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

K. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligation is based on relative standalone selling price.

L. No non-cash considerations are received/given during the current/previous year.

iii. Retention Sale

The Value of Retention Sales (i.e., Goods retained with the Company at the Customers' request and at their risk) included in Turnover during the year is ₹ 2,67,503 (₹ 53,008).

Out of the above the Value of Ex-works Sales is ₹ 7,046 (₹ 198).

Note 24 - Other Income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income from staff/IT refund/others*	512	2,534
Income from long term investments (Dividend)**	3,274	3,291
Interest income on term deposits	52,655	61,587
Profit on sale of PPE	330	255
Rental income - Investment property	281	263
Foreign exchange gain/loss	-	6,577
Gain / (loss) on mutual funds	1,935	2,053
Miscellaneous (Net of expenses)	52	199
	59,039	**76,759**

*For related party disclosures refer Note 31.

** Represents Income from subsidiary & associates recognised at Cost.

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

Standalone Notes to Accounts

(₹ in Lakhs)

Note 25 - Changes in inventories of finished goods, work in progress & scrap

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Work-in-progress:				
- Closing Inventory	3,70,682		3,33,721	
- Opening Inventory	3,33,721		2,62,535	
		(36,961)		**(71,186)**
Finished goods:				
- Closing inventory	54,925		34,415	
- Opening inventory	34,415		24,514	
		(20,510)		**(9,901)**
Scrap :				
- Closing Inventory	508		505	
- Opening Inventory	505		509	
		(3)		**4**
		(57,474)		**(81,083)**

Note 26 - Employee benefits expense

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Salaries, Wages and Bonus/Ex-gratia		2,35,601		2,20,315
Retirement benefit expenses				
- Gratuity*	11,992		1,475	
- Contribution to Provident and Pension Funds	16,639		15,821	
- Management Contribution to BEL Superannuation (Pension) Scheme**	11,190		6,395	
- Provision for BEL Retired Employees Contributory Health Scheme	14,529		13,533	
		54,350		**37,224**
Welfare expenses		19,140		15,897
		3,09,091		**2,73,436**

*Amount for Financial year 2025-26, includes ₹ 10,172 on account of increase in Gratuity Ceiling from ₹ 20 to ₹ 25 per employee and applicability of Gratuity liability in respect of Project Engineers and Trainee Engineers as per new labour code.

**Amount for Financial year 2025-26, includes increased in Management Contribution towards Pension Scheme in respect of Non- Executives by 2% from FY 2016-17 onwards.

i. Refer Note 21 (A) (iii), accordingly a provision of ₹ 928 (₹ 1,249) was reversed.

ii. Refer note 31 for remuneration of Key Managerial Personnel.

iii. Above expenses includes an amount of ₹ 513 (₹ 390) pertaining to CSR Administration Overhead (refer note 30 (14) for details).

iv. Impact of Labour Codes: On 21 November 2025, the Government of India notified provisions of the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020 and the Occupational Safety, Health and Working Conditions Code 2020, which consolidates the existing 29 labour laws into a unified framework governing employee benefits. The financial impact of these changes is ₹ 2,055 for Financial Year 2025-26.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 27 - Finance costs

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Interest expenses				
-Interest on dues to Micro & Small Enterprises	3		13	
-Interest expense on lease liability	425		416	
-Interest on income tax	-		1	
-Other interest expenses	221		509	
		649		**939**
Other borrowing cost				
Loan processing charges		23		22
		672		**961**

Note 28 - Depreciation and amortisation expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation/amortisation on property, plant & equipment	47,095	41,054
Amortisation on other intangible assets	4,556	1,910
Depreciation on right of use assets	742	594
	52,393	**43,558**

Note 29 - Other expenses

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Power and fuel*		4,837		4,774
Water charges		648		444
Royalty & technical assistance		432		738
Rent		1,962		1,693
Rates & taxes		1,606		1,244
Insurance		5,250		3,553
Auditors remuneration				
Audit fees	46		46	
Tax audit fees	5		5	
Other services (Certification fees)	26		15	
Reimbursement of expenses	9		16	
		86		**82**
Cost audit fee		5		5
Repairs & maintenance				
Buildings	4,540		4,494	
Plant & machinery	2,531		2,132	
Others	15,841		12,196	
		22,912		**18,822**
Bank charges		318		253
Printing & stationery		399		339
Advertisement & publicity		2,172		1,455

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Travelling expenses		18,743		19,363
Hiring charges for van/taxis		2,333		1,807
Packing & forwarding		3,161		3,294
Bad debts & advances written off	15,971		8,309	
Less: charged to provisions	(15,956)		(8,305)	
		15		**4**
Provision for obsolete / redundant materials		7,906		6,633
Provision for doubtful debts,LD,customers' claims & disallowances		1,11,938		1,08,247
Provision for doubtful advances, claims		1,184		752
Foreign exchange gain/loss		56		-
Provision for performance warranty (net)**		7,797		-
Provision for onerous contracts**		15,531		-
Write off of raw materials,stores & components due to obsolescence & redundancy	13,715		7,197	
Less: charged to provisions	(13,688)		(7,163)	
		27		**34**
Provision for intangible assets under development		4,826		-
Write off of intangible assets under development		-		129
Contract costs charged off		234		839
Corporate social responsibility		10,266		7,799
Others				
- Other Misc. Direct Expenditure***	16,545		14,662	
- After Sales Service	1,111		574	
- Telephones	972		889	
- Expenditure on Seminars & Courses	1,193		917	
- Other Selling Expenses	643		349	
- Miscellaneous	8,333		6,980	
		28,797		**24,371**
Less: Expenditure allocated to capital jobs		(14,031)		(9,166)
		2,39,410		**1,97,508**

* Power expenditure incurred during the FY is after netting off Wind Energy Generation of ₹ 1,701 (₹ 1,568).

** Refer note 21.

**** Includes expenses towards outsourcing of production area.

i. Intangible Asset under development written off ₹ 9,000 (₹ 7,709) against "Provision for Intangible Asset under development" during the Financial year.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 30 - General Notes to Accounts

1 Earnings per Equity Share

	Particulars	2025-26	2024-25
a	**From continuing operations**		
	Basic earnings per share [INR]	8.27	7.23
	Diluted earnings per share [INR]	8.27	7.23
b	Amounts used as the numerators in calculating basic and diluted earnings per share	6,04,848	5,28,825
c	Weighted average number of equity shares used in computing basic and diluted earnings per share	7,30,97,78,829	7,30,97,78,829

2 Statement of Compliances

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

The Company's standalone financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

3 Operating Cycle

As per the requirement of Schedule III to the Companies Act, 2013, the Operating Cycle has been determined at Strategic Business Unit (SBU) / Unit level, as applicable.

4 Impairment of Assets

The Company has analysed Indications of impairment of assets of each geographical composite manufacturing unit considered as Cash Generating Units (CGU). On the basis of assessment of internal and external factors, an accumulated amount of ₹ 4,996 (₹ 9,170) is provided as provision for impairment as on Balance Sheet date. During the year an amount of ₹ 4,826 (Nil) has been provided as impairment of asset.

5 Short Term Borrowings

a The Company has been sanctioned working capital limit of ₹ 5,00,000 (₹ 5,00,000) by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes fund based limit of ₹ 50,000 (₹ 50,000) and non fund based limit of ₹ 4,50,000 (₹ 4,50,000).

b The interest rate payable on fund based limit is linked to SBI 3 Months MCLR Rate. [Interest rate payable as on 31.03.2026 is 8.25 % p.a. (8.55%)].

c The amount utilised is repayable on demand. Utilisation as on 31.03.2026 is Nil (Nil).

d The above sanction limit is secured by hypothecation of Current Assets of the Company (Refer Note 34).

Standalone Notes to Accounts

(₹ in Lakhs)

6 Contractual Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
A. Estimated amount of contracts remaining to be executed on capital account and not provided as on 31 March		
Property, plant & equipment (Net of Advance)	1,13,702	72,722
Investment property	-	-
Other intangible assets	10,327	15,914
B. Contractual commitment for repair and maintenance or enhancement of investment property	-	-
C. Other commitments i.e., Non-cancellable contractual commitments (i.e., cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31 March	-	-

7 Expenditure incurred on Research and Development:

The Company incurred on Research and Development during the year, which are included in the respective natural classification is given below:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Expenditure		
Materials	61,510	30,742
Employees Remuneration & Benefits	84,665	74,976
Depreciation	11,834	9,120
Others	38,084	25,861
Gross Expenditure	**1,96,093**	**1,40,699**

8 Contingent Liabilities:

Particulars	As at 31 March 2026	As at 31 March 2025
Claims not acknowledged as debts		
i. Statutory Dues		
a. Direct Taxes (Income taxes)	19,599	4,459
b. Indirect Taxes (Service tax, Excise Duty, Custom Duty and GST)	15,401	13,316
ii. Arbitration (Vendor, Customer and Others)	1,57,102	1,39,519
iii Outstanding Letters of Credit	57,415	63,587
iv Provisional Liquidated Damages up to 31 March on unexecuted customer orders where the delivery date has expired	63,640	80,368

In respect of certain Labour and other cases, liability is not ascertainable as on date, as the matter is yet to be adjudicated. However such liability is not expected to be material.

9 Contingent Assets:

Particulars	As at 31 March 2026	As at 31 March 2025
Nil	-	-

Standalone Notes to Accounts

(₹ in Lakhs)

10 Confirmation of Balances

Letters requesting confirmation of balances have been sent in respect of Trade Receivables, Trade Payables, Advances and Deposits. Wherever replies have been received, reconciliation is under process and impact on Financial Statements is not expected to be material.

11 Leases

Adoption of Ind AS 116

Effective 1 April 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the financial statements of the company.

a) As a lessor

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2026	As at 31 March 2025
Not later than one year	64	61
Later than one year and not later than five years	280	274
Later than five years.	2,505	2,575

ii) The company has Leased out few portions of Land to different organisations under non-cancellable Operating Lease. Lease period is spread over from the year 1967 to 2077. The leases have various terms, escalation clause, lease renewal rights etc. On renewal, the terms of the lease are renegotiated.

The company has not recognised any income as contingent rent.

b) As a Lessee:

The right of use asset is recognised at :

a) The carrying amount of prepaid rent when no future lease payments are payable; or

b) At the carrying amount and discounted at incremental borrowing rate.

The company has not recognised any expenses as contingent rent.

The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed in Note 33.

12 Segment Reporting

Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5 June, 2015 as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.

13 Unhedged Foreign Exchange Exposure

The disclosure of "Foreign Exchange Exposure", the major currency-wise exposure as on 31 March 2026 is given below. [Foreign currencies are shown in Lakhs]. (Previous year figures are shown in brackets).

Standalone Notes to Accounts

(₹ in Lakhs)

Currency	Payables		Receivables / Contract Asset		Contingent Liability*	
	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent	Foreign Currency	Indian Rupee Equivalent
USD	1,196	1,14,400	492	45,964	416	40,138
	(1,474)	(1,27,404)	(467)	(39,582)	(608)	(52,530)
EURO	308	33,991	64	6,783	137	15,132
	(526)	(49,903)	(52)	(4,738)	(120)	(11,389)
GBP	24	2,998	-	-	2	256
	(15)	(1,642)	-	-	(4)	(468)
JYEN	-	-	-	-	8	453
	(663)	(385)	-	-	-	-
CHF	6	685	-	-	5	642
	(10)	(1,006)	-	-	(11)	(1,051)
Others	26	262	-	-	-	-
	-	(12)	-	-	-	-
Total (₹)		**1,52,336**		**52,747**		**56,621**
		(1,80,352)		**(44,320)**		**(65,439)**
Amount covered by Exchange Rate variation clause from Customers out of the above		27,258		-		8,245
		(49,385)		-		(23,758)

* includes exposures relating to outstanding Letters of Credit and Capital Commitments.

During the FY 2025-26, the Company has not entered into any Forward Contracts to cover Foreign Currency fluctuations in respect of Firm Commitments. There are no outstanding Forward Contracts as on 31.03.2026.

14 Disclosure relating to CSR Expenditure

a. Gross amount required to be spent by the Company during the FY 2025-26 is ₹ 10,779 (₹ 8,189).

b. Amount spent during the FY 2025-26:

Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total	Provision * for unspent amount	CSR Grand Total
i)	Construction / Acquisition on any asset	-	-	-	-	-
		-	-	-	-	-
ii)	Purposes other than (i) above	3,240	3	3,243	7,536	10,779
		(2,770)	(145)	(2,915)	(5,274)	(8,189)

*₹ 7,522 (₹ 5,250) provided pursuant to Company (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), towards unspent CSR account as this pertains to ongoing projects and ₹ 14 (₹ 24) pertains to single year project.

Above expenses also includes CSR Administration Overhead of ₹ 513 (₹ 390) which is grouped under Employee benefits expense.

Standalone Notes to Accounts

(₹ in Lakhs)

c. Movement of CSR Provision

Sl. No.	Particulars	2025-26	2024-25
i	As at 1 April	9,532	6,631
ii	Additional provision recognised during the year	7,536	5,274
iii	Less: Amount used during the year	4,103	2,373
iv	Less: Amount reversed during the year	-	-
v	As at 31 March	12,965	9,532

Sl. No.	Particulars	2025-26	2024-25
1	Amount required to be spent by the Company during the year	10,779	8,189
2	Amount of Expenditure incurred	3,243	2,915
3	Shortfall at the end of the year	7,536	5,274
4	Total of previous years shortfall	5,429	4,258
5	Reasons for shortfall	Pertains to Ongoing Projects and Single year project	
6	Nature of CSR activities	Education, Healthcare & Nutrition,Skill India Initiative, Rural Development projects, Sustainable Development of Environment.	
7	Details of related party transaction e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	NA	NA
8	Whether a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

15

In view of ongoing conflict in Israel, the Company has analysed the existing contract/agreements with companies based in Israel. In our opinion there is no material financial impact as on 31.03.2026.

16 Dividend not recognised at the end of the reporting period

The directors have recommended a final dividend of INR 0.55 (INR 0.90) per share. [Represents absolute figure].

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would results in cash outflow of approximately of ₹ 40,204 (₹ 65,788).

17

An amount of ₹ 45 (₹ 39) has been contributed to Defence production IT Division which has been created as one of the division of HAL to implement IT related initiatives in Dept. of Defence production including Ordnance Factory Board (OFB) and Defence Public Sector Units.

18 Value of remaining Performance Obligations (pending orders to be executed)

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

Particulars	Total Amount	Within a Years	1-2 Years	2-3 Years	More than 3 Years
Unexecuted order value as on 31.03.2026	73,88,200	31,48,800	21,50,300	10,65,100	10,24,000
Unexecuted order value as on 31.03.2025	71,65,000	31,33,000	16,67,400	8,79,000	14,85,600

Typically major orders are from Defence which involves long gestation period. Company expects to recognise revenue in respect of unsatisfied (or partially unsatisfied) performance obligation over a period of 3 - 5 years.

Standalone Notes to Accounts

(₹ in Lakhs)

19 Financial Ratios as per Revised Schedule III Requirements :-

Sl. No.	Particulars	2025-26	2024-25	%age change	Remarks
Numerator	Current Assets	37,77,340	34,62,717		
Denominator	Current Liabilities	19,17,544	19,69,851		
(a)	**Current Ratio (in times)**	**1.97**	**1.76**	**11.93**	
Numerator	Total Debt	-	-		
Denominator	Shareholder's Equity / Net Worth	23,69,756	19,69,768		
(b)	**Debt-Equity Ratio (in times)**	**-**	**-**		
Numerator	Earnings available for debt service (PAT + Interest Cost + Depreciation / Amortisation)	6,57,913	5,73,344		
Denominator	Debt Service (Interest + Lease Payments + Principal Repayments)	672	961		
(c)	**Debt Service Coverage Ratio (in times)**	**979.04**	**596.61**	**64.10**	Mainly due to decrease in finance cost by ₹ 289 during the year
Numerator	Profit After Tax (PAT)	6,04,848	5,28,825		
Denominator	Average Shareholder's Equity / Net Worth	21,69,762	17,89,004		
(d)	**Return on Equity Ratio (in %age)**	**27.88**	**29.56**	**(5.68)**	
Numerator	Sales & Services	26,67,958	23,02,410		
Denominator	Average Inventory	9,58,193	8,23,863		
(e)	**Inventory Turnover Ratio (in times)**	**2.78**	**2.79**	**(0.36)**	
Numerator	Sales & Services	26,67,958	23,02,410		
Denominator	Average Trade Receivables	10,96,862	8,22,708		
(f)	**Trade Receivables Turnover Ratio (in times)**	**2.43**	**2.80**	**(13.21)**	
Numerator	Purchases	15,57,859	14,65,388		
Denominator	Average Trade Payables	3,42,867	3,50,435		
(g)	**Trade Payables Turnover Ratio (in times)**	**4.54**	**4.18**	**8.61**	
Numerator	Sales & Services	26,67,958	23,02,410		
Denominator	Working Capital	18,59,796	14,92,866		
(h)	**Net Capital Turnover Ratio (in times)**	**1.43**	**1.54**	**(7.14)**	
Numerator	Profit After Tax (PAT)	6,04,848	5,28,825		
Denominator	Sales & Services	26,67,958	23,02,410		
(i)	**Net Profit Ratio (in %age)**	**22.67**	**22.97**	**(1.31)**	
Numerator	Earnings Before Interest and Tax (EBIT)	8,08,176	7,09,960		
Denominator	Capital Employed	22,49,722	18,10,176		
(j)	**Return on Capital Employed (in %age)**	**35.92**	**39.22**	**(8.41)**	
Numerator	Income from long term investments	3,275	3,293		
Denominator	Investments in Equity Instruments	25,012	25,011		
(k)	**Return on Investment (in %age)**	**13.09**	**13.17**	**(0.61)**	

Standalone Notes to Accounts

(₹ in Lakhs)

20 Other Disclosure required as per the amendments in Schedule III.

a The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b Struck off Companies

₹ In INR (Represents absolute figure)

Name of the Struck off Company	Nature of Transactions with struck off company	Relationship with the struck off company, if any to be disclosed	As at 31 March 2026	As at 31 March 2025
Aircomfort Engineers Private Limited	Trade payables		32,253	32,253
Bigtech Software Private Limited	Trade payables		-	68,759
Chawla Health Care Private Limited	Trade payables		17,431	45,515
Chawla Health Care Private Limited	Security Deposit received		-	45,515
Ravi Thermal Engineers Pvt Ltd	Trade payables		42,480	48,960
Reethis Digital Media Pvt. Ltd.	Trade payables		46,454	70,335
S P Enterprise Private Limited	Advance Received		-	1,908
S.B.S. Technocarts & Engineers Private Limited	Security Deposit received		-	2,00,000
S.B.S. Technocarts & Engineers Private Limited	Trade payables		-	2,00,000
Sharp Products Private Limited	Advance Received		-	28,932
Solastek Network Systems Private Limited	Trade payables		29,598	11,02,839
Veeran Engineers	Security Deposit received		4,74,942	4,74,942
Epicurean Enterprises Pvt.Ltd.	Trade payables		11,122	11,122
Future Lighting India Limited	Security Deposit received		1,468	1,468
Purus Filtrotech Private Limited	Security Deposit received		16,125	21,000
Ibode India Pvt Ltd.	Trade payables		10,400	10,400
Ravi Thermal Engineers Pvt Ltd	Trade payables		42,480	48,960
United Gensets Private Limited	Trade payables		2,56,864	-
Iqubix Global Solutions Pvt. Ltd.	Advance Received		1,789	1,789
Star Wire India Limited	Trade payables		9,144	-
Star Wire India Limited	Security Deposit received		3,19,108	3,19,108

c The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (RoC) beyond the statutory period.

d The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e The Company has 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:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Standalone Notes to Accounts

(₹ in Lakhs)

f The Company has 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:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g The Company has not done 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).

21 Receivable other than trade receivable includes, a fraud on the company by the employees during the year 2018-19 amounting to ₹ 1,000 has been detected during the routine internal audit. Out of the said amount, ₹ 64 has been recovered and the balance amount of ₹ 936 is recognised as receivable, pending recovery, the same has been provided for as doubtful in the Statement of Profit and Loss. The company has filed civil suits on respective employees and vendor. During the Financial Year 2022-23, ₹ 54 has been incurred towards court fees for filing civil suits.

22 Previous years's figure have been regrouped/reclassified wherever necessary. Figure in brackets relate to previous years.

23 All figures in financial statements are rounded off to nearest rupees in lakhs unless otherwise mentioned.

24 The standalone Ind AS financial statements were approved for issue on 19 May 2026 by the Board of Directors.

Note 31 - Related Party Transactions

a. Subsidiaries & Associates

Name of the Entity	Place of Business	Ownership interest held by the company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
BEL Optronic Devices Ltd. (BELOP) - Subsidiary	India	100%	100%	-	-	Manufacture and Supply of Image Intensifier Tubes.
BEL - THALES Systems Ltd. - Subsidiary	India	74%	74%	26%	26%	Design, Develop, Supply and Support of Defence and Civilian Radars.
GE BE Private Limited - Associate	India	26%	26%	-	-	Manufacturing of Medical Equipments.
BEL IAI Aerosystems Private Limited - Associate	India	40%	40%	-	-	Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services
Defence Innovation Organisation - Associate	India	50%	50%	-	-	Carrying out Defence related Research and Developmental activities.
Electronic Warfare (Defence) Testing Foundation - Associate	India	40%	40%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain

Standalone Notes to Accounts

(₹ in Lakhs)

Name of the Entity	Place of Business	Ownership interest held by the company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
Communication (Defence) Testing Foundation - Associate	India	40%	40%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain
UAS Testing Foundation - Associate	India	20%	20%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial Syatem (UAS) Domain

b. Key Management Personnel's Details

i. Name of Key Management Personnel's

Mr Manoj Jain, Chairman & Managing Director from 20.06.2024 Additional Charge as Director (Research & Development) from 20.12.2024 to 01.05.2025 Director (Research & Development) from 26.09.2022 till 19.06.2024 and Additional charge as Director (BG Complex) from 01.08.2023 till 09.08.2024
Mr Bhanu Prakash Srivastava, Director (Other Units) from 20.04.2022 till 31.05.2025 Additional Charge as Chairman & Managing Director from 01.11.2022 till 19.06.2024 and Additional Charge as Director (Research & Development) from 18.07.2024 to 19.12.2024
Mr Damodar Bhattad S, Director (Finance) & CFO from 11.01.2023
Mr Vikraman N, Director (Human Resources) from 01.06.2023
Mr Kaipa Venkata Suresh Kumar, Director (Marketing) from 16.06.2023
Mr Rajnish Sharma, Director (BG Complex) from 10.08.2024 and Additional Charge Director (Other Units) from 01.06.2025 to 13.07.2025
Mr Hari Kumar R, Director (Research & Development) from 02.05.2025
Mr Kamesh Kasana, Director (Other Units) from 14.07.2025
Mr S Sreenivas, Company Secretary from 01.04.2014

ii. Compensation to Key Management Personnels

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Short term employee benefits	551	441
Post employment benefits	18	15
Long term employee benefits	99	89
Termination benefits	-	-
Share based payment	-	-
Total	**668**	**545**

Standalone Notes to Accounts

(₹ in Lakhs)

c. Post Employment Benefit Plans

Particulars	Contribution by the company	
	For the year ended 31 March 2026	For the year ended 31 March 2025
BEL Provident Fund Trust	13,689	12,914
BEL Gratuity Trust Fund	2,099	2,130
Bharat Electronics Limited Superannuation (Pension) Trust	11,190	6,395
Bharat Electronics Limited Retired Employees Medical Trust (BREMT)*	12,757	13,467

*Refer note 21 (A) (ii) in respect to BREMT.

d. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) : -

Particulars	Subsidiaries		Associates						Grand Total
	BEL Optronic Devices Ltd (BELOP)	BEL-THALES Systems Ltd	GE BE Private Ltd	Defence Innovation Organisation	BEL IAI Aerosystems Private Limited	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	UAS Testing Foundation	
Purchase of Goods	1,667	12,240	-	-	-	-	-	-	**13,907**
	(9,448)	(10,979)	-	-	-	-	-	-	**(20,427)**
Sale of Goods	-	-	1,423	-	-	37	-	-	**1,460**
	-	-	(2,547)	-	-	-	-	-	**(2,547)**
Services Received	-	18	-	-	-	-	-	-	**18**
	-	(321)	-	-	-	-	-	-	**(321)**
Services rendered	2	21	-	-	-	-	-	-	**23**
	(1)	(3)	-	-	-	-	-	-	**(4)**
Rent Received (Lease)	-	92	-	-	-	-	-	-	**92**
	-	(81)	-	-	-	-	-	-	**(81)**
Interest Income	-	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-	-	**-**
Dividend Income on Investments	621	106	2,548	-	-	-	-	-	**3,275**
	(500)	(61)	(2,730)	-	-	-	-	-	**(3,291)**
Loan disbursed	-	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-	-	**-**
Trade Payables Outstanding as on 31.03.2026	96	698	-	-	-	-	-	-	**794**
	(45)	(437)	-	-	-	-	-	-	**(482)**
Trade Receivables Outstanding as on 31.03.2026	2	33	322	-	-	44	-	-	**401**
	(1)	(2)	(372)	-	-	-	-	-	**(375)**
Investment in Equity as on 31.03.2026	19,189	4,264	260	1	164	469	418	300	**25,065**
	(19,189)	(4,264)	(260)	(1)	(164)	(469)	(418)	(300)	**(25,065)**
Rights Issues during 2025-26	-	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-	-	**-**
Contribution Oustanding as on 31.03.2026	-	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-	-	**-**

Directors sitting fees :

The sitting fees paid to Non Executive Directors is ₹ 30 during the Financial Year 2025-26 and ₹ 34 during the Financial Year 2024-25.

e. All transactions dealt with related parties are on arm's length basis.

Standalone Notes to Accounts

(₹ in Lakhs)

f. All Outstanding balances are Unsecured. All Outstanding balances (Other than loan) is repayable in cash within next 6 months.

g. Management Contracts including deputation of Employees

Two Officials of BEL have been deputed to BELOP (Subsidiary) and Seven Officials of BEL have been deputed to BEL-THALES Systems Limited (Subsidiary) and their Salary and Other Costs is paid by BELOP and BEL-THALES System Limited. respectively during the year as per terms and conditions of employment.

h. Transaction with Government and Government Related Entities

As BEL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 with respect to related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions : -

An amount of ₹ 1,06,531 (₹ 85,979) was paid as Dividend during the FY 2025-26.

In addition to the above, around 94% (96%) of the Company's Turnover, around 94% (94%) of Trade Receivables and around 98% (97%) of Customer's Advance is with respect to government and government related entities.

i. Investment with respect to BELOP includes fair valuation of loan.

j. Defence Innovation Organisation (DIO) was incorporated on 10 April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company is situated in BEL's premises in Bengaluru.

k. BEL IAI Aerosystems Private Limited (BIAPL) was incorporated on 25 September 2024 under Companies Act, 2013 with an authorised share capital of ₹ 410 (BEL: 40%; IAI 60%) with an objective to establish Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services.

l. Electronic Warfare (Defence) Testing Foundation (EWDTF) was incorporated on 21 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,175 (BEL: 40%; HAL 20%, IOL 20%, BDL 10%, TIDCO 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain.

m. Communication (Defence) Testing Foundation (CDTF) was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,045 (BEL: 40%; HAL 25%, BEML 25%, AWEIL 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain .

n. UAS Testing Foundation (UASTF) was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (BEL: 20%; HAL 33.33%, BEML 20%, YIL 10%, GIL 10% and Endure Air 6.67%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial System (UAS) Domain.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 32 - Financial Instruments - Fair Value Measurements

1 Accounting classification and fair values

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

Particulars		As at 31 March 2026			As at 31 March 2025		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets measured at fair value							
I	**Investments**						
i	Equity Instruments – Mana Effluent treatment Pvt Ltd	-	19	-	-	18	-
ii	LENS Foundation	-	-	155	-	-	155
a.	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment liability)	61,125	-	-	56,800	-	-
	Sub Total	**61,125**	**19**	**155**	**56,800**	**18**	**155**
Financial Assets not measured at fair value							
II	**Trade Receivables**	-	-	12,84,528	-	-	9,09,196
III	**Loans**						
a	Loans to Related Parties	-	-	-	-	-	-
b	Loans to Employees	-	-	1,001	-	-	810
c	Loans to Others	-	-	-	-	-	-
IV	**Cash and cash equivalents**	-	-	1,82,693	-	-	68,168
V	**Other Bank Balances**	-	-	6,59,174	-	-	8,71,562
VI	**Other Financial Assets**						
a	Security deposits	-	-	4,361	-	-	4,218
b	Advance to Employees	-	-	192	-	-	165
c	Advance to Others	-	-	3	-	-	5
d	Receivables (other than Trade Receivables)	-	-	1,019	-		1,332
e	Bank deposits with more than 12 months maturity	-	-	-	-	-	197
f	Interest accrued but not due on term deposits	-	-	4,450	-	-	9,707
g	Other financial Assets	-	-	8,085	-	-	10,208
	Other Investments						
a	Investment in Co-operative societies, Housing Societies etc.*	-	-	-	-	-	-
b	Investment in Subsidiaries	-	-	23,453	-	-	23,453
c	Investment in Associate	-	-	1,612	-	-	1,612
	Sub Total	**-**	**-**	**21,70,571**	**-**	**-**	**19,00,633**
	Total	**61,125**	**19**	**21,70,726**	**56,800**	**18**	**19,00,788**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

Standalone Notes to Accounts

(₹ in Lakhs)

Particulars		As at 31 March 2026			As at 31 March 2025		
		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	Trade Payables	-	-	3,54,229	-	-	3,31,505
III	**Other Financial Liabilities**						
a	Security Deposits including retention money	-	-	53,824	-	-	45,101
b	Interest accrued and due on term loan	-	-	-	-	-	-
c	Interest Accrued and due on Trade Payables	-	-	7	-	-	19
d	Non Trade payables - Others	-	-	10,094	-	-	10,603
e	Unpaid Matured Deposits	-	-	37	-	-	37
f	Unpaid Dividend	-	-	433	-	-	356
g	Non Trade Payables Dues to Micro and Small Enterprises	-	-	2,302	-	-	1,167
h	Outstanding Expenses	-	-	91,287	-	-	78,900
i	Other Lease liability	-	-	6,546	-	-	6,123
j	Other Liabilities	-	-	1,899	-	-	1,800
	Total	**-**	**-**	**5,20,658**	**-**	**-**	**4,75,611**

2 Fair value hierarchy

The hierarchy levels used for Fair value measurements of Financial instruments wherever applicable is given below:

Particulars		Note	As at 31 March 2026			As at 31 March 2025		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I	**Financial Assets and Liabilities measured at Fair value – recurring fair value measurements**							
A	Financial Assets							
i	Financial Investments at FVPL	6	-	61,125	-	-	56,800	-
ii	Financial Investments at FVOCI - Unquoted	6	-	-	19	-	-	18
II	**Financial Assets and Liabilities which are measured at Amortised Cost**		No separate Fair value is disclosed as the Carrying value of these Assets and Liabilities represents their Fair Value.					

Level 1: Level 1 hierarchy includes Financial instruments measured using quoted prices.

Level 2: The fair value of Financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case of unlisted equity shares.

3 Valuation technique used to determine Fair Value

a. LIC Investment - (Level 2)

Based on valuation report of the Scheme provided by LIC.

b. Mana Effluent Treatment Plant Ltd - (Level 3)

BEL has invested in equity securities of Mana Effluent Treatment Plant Ltd. which is an unlisted company. The Company's cost of investment in Mana Effluent Treatment Plant Ltd is only ₹ 5 (out of issued Share Capital of ₹ 205). The company has opted for Net Asset Value method for fair valuation.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 33 - 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.

Board of Directors have the overall responsibility for the establishment, monitoring and supervision of the Company's Risk Management framework. The Board has set up a Risk Management Committee, for this purpose, 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, prioritisation, treatment of various risks associated with different areas of finance and operations.

The company has a centralised Treasury function which is responsible to undertake appropriate measures to mitigate financial risk in accordance with the policies and procedures formulated by the Board. Hedging transactions are undertaken by a team with appropriate skills and experience in consultation with an external expert. The Company does not trade in derivatives for speculation.

ii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will 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

BEL 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, Euro, Great Britain Pound, Swiss franc and Japanese Yen. 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 has a Board approved currency risk management policy implemented by a Risk Management Committee that reviews the Company's exposure to this risk on a regular basis. The Risk Management Policy recommends hedging upto 50% of the open foreign currency exposure. However the decision to enter into a hedging arrangement is made by the Risk Management Committee based on the relevant data inputs and the advice of the external specialist consultant retained for this purpose.

The Company's export proceeds are realised mostly by remittance into an Export Earners Foreign Currency account (EEFC) which is then utilised for payments to be made in foreign currency, thereby mitigating the currency risk on exports. Imports to the extent of around 17% (13%) of annual foreign exchange outgo are not covered by the Exchange Rate Variation (ERV) clause in the related customer contract and hence are open to currency risk. These imports are benchmarked as per the policy and appropriate decision on covering the risk is taken on a case to case basis. The Company's currency risk policy advocates forward contract hedging for mitigating risk wherever required.

As on 31 March 2026, there are no outstanding forward contracts.

Standalone Notes to Accounts

(₹ in Lakhs)

The company's exposure to foreign currency risk in respect of major currencies is given below :

Particulars	As at 31 March 2026					As at 31 March 2025				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	1,196	308	24	6	-	1,474	526	15	10	663
Trade Receivable / Contract asset	492	64	-	-	-	467	52	-	-	-
Net Exposure	**704**	**244**	**24**	**6**	**-**	**1,007**	**474**	**15**	**10**	**663**

iv) Foreign Currency sensitivity

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. The sensitivity to variations in respect of net exposure of major currencies is given below. This analysis assumes that all other variables remain constant.

Particulars	Impact on Profit Loss / (Gain)	
	As at 31 March 2026	As at 31 March 2025
USD – Increase by 5%	3,368	4,351
USD – Decrease by 5%	(3,368)	(4,351)
EURO – Increase by 5%	1,346	2,248
EURO – Decrease by 5%	(1,346)	(2,248)
GBP – Increase by 5%	152	84
GBP – Decrease by 5%	(152)	(84)
CHF – Increase by 5%	36	50
CHF – Decrease by 5%	(36)	(50)

v) Interest rate risk

Interest rate risk can be either 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 rates.

vi) Variable Rate Borrowing:

The company has been sanctioned a working capital limit of ₹ 5,00,000 (₹ 5,00,000). The sanctioned limit includes fund based limit of ₹ 50,000 (₹ 50,000) and non fund based limit of ₹ 4,50,000 (₹ 4,50,000). The fund based limit of ₹ 50,000 has not been utilised during the year [Outstanding as on 31 March 2026 is Nil (31 March 2025 is Nil)]. The outstanding balance as on 31 March 2026 with respect to non fund based limit is ₹ 3,16,300 (₹ 2,80,100). The interest is payable based on SBI's 3 months MCLR rate. As the borrowing is nil there is no impact on likely change in interest rates.

vii) Equity Price Risk

The company's exposure to equity price risk is negligible as its equity investment (other than in Subsidiaries and Associate) is negligible.

viii) 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 and marketable securities to

Standalone Notes to Accounts

(₹ in Lakhs)

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 bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The Company meets its liquidity requirement mainly through internally generated cash flows which is monitored centrally by treasury. There is an established process of rolling cash forecasts from various operating units which form the basis for mapping expected cash inflows, to meet the liabilities.

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

As at 31 March 2026

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 year	Between 2 & 5 year	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,76,794	30,107	47,328	-	-	-	3,54,229
Interest accrued and due on Trade Payables	7	-	-	-	-	-	7
Lease Liability	101	87	115	172	550	5,521	6,546
Other Financial Liabilities	1,13,106	7,943	30,380	1,778	6,273	396	1,59,876

As at 31 March 2025

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 year	Between 2 & 5 year	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,79,742	25,327	26,414	22	-	-	3,31,505
Interest accrued and due on Trade Payables	19	-	-	-	-	-	19
Lease Liability	72	69	120	170	289	5,404	6,124
Other Financial Liabilities	1,04,435	12,026	19,892	1,570	41	-	1,37,964

The company does not have any outstanding derivatives as on 31 March 2026.

ix) 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 by the risk management committee which has established the credit policy norms for its customers and other receivables. 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. In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such 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.

Standalone Notes to Accounts

(₹ in Lakhs)

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of upto 1 year. The Company has a well structured Risk Mitigation Policy whereby there are preset limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. 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 are mostly due from Government department / parties.

x) Capital Management

The Company's Capital Management objective is to maintain a strong capital base 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 but reserves the right to leverage this alternative at an appropriate time to fuel growth and maintain optimal capital structure.

The Company has a well defined Dividend Distribution Policy which lays the framework for payments of dividend and retention of surplus for future growth and enhancing shareholders wealth. The Company has been sanctioned borrowing limits with banks to the tune of ₹ 5,00,000.

Gearing Ratio: -

Particulars	As at 31 March 2026	As at 31 March 2025
Net Debt	-	-
Total Equity	23,69,756	19,69,768
Net Debt to Equity Ratio	-	-

Note 34 - Assets pledged as security

The carrying amounts of assets pledged as security for Working Capital borrowings are:

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Inventories	10,09,419	9,06,966
(ii) Trade Receivables	12,84,528	9,09,196
(iii) Cash & Cash Equivalents	1,82,693	68,167
(iv) Bank Balances [Other than (iii) above]	6,46,000	8,66,600
(v) Loans	175	147
(vi) Other Financial Assets	15,817	23,900
(vii) Other Current Assets	5,83,345	6,14,898
Total assets pledged as security	**37,21,977**	**33,89,874**

Refer Note 18 for the details of borrowings.

Standalone Notes to Accounts

(₹ in Lakhs)

Note 35 - Critical estimates and judgments

While preparing the financial statements, management has made certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements and estimates that have a significant risk of resulting in a material adjustment are as under:

i. Research and Development Expenditure - Accounting Policy No. 10 - (Refer Note 5 and 12)

Developmental expenditure incurred with respect to No Cost No Commitment (NCNC) Projects and Joint developmental projects which are not fully compensated by the development partner are carried forward till the completion of project.

ii. Estimation of defined benefit obligation - Key actuarial assumptions - (Refer Note 21)

iii. Estimation of provision for warranty claims - (Refer Note 21)

Warranty provision computation involves estimation of average warranty cost based on trend based analysis. If the estimations made varies, the same will impact the expense recognised.

iv. Recognition of Revenue - (Refer Note 23)

Input methods towards performance obligations over time involves estimation of Stage of completion based on actual costs incurred to the estimated total costs expected to complete the contract. If the estimations made varies, the same will impact the Revenue recognised.

v. Intangible assets (Refer Note 4 and 5)

Amount carried forward as other intangible assets and Intangible assets under development are tested for impairment annually with respect to certainity of future economic benefits.

vi. Lease (Refer Note 1)

The company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of lease requires significant judgements. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

Note 36 - Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended 31 March 2026, MCA has not issued any such notification that would have been applicable from 1 April 2026.

Income Tax Act 2025:

During 2025-26, Government of India amended the Income Tax Act and new Income Tax Act, 2025 is effective from 1 April 2026. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Material Accounting Policies on Ind AS Standalone Financial Statements

Corporate Information

The accompanying financial statements comprise the financial statements of Bharat Electronics Limited (the Company). The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Bharat Electronics Limited's shares are listed on two recognised stock exchanges in India. The registered office and principal place of business of the Company is located at Bengaluru, Karnataka, India.

The Company is a public sector enterprise under the administrative control of the Department of Defence Production, Ministry of Defence. Bharat Electronics Limited manufactures and supplies electronic equipment and systems to defence sector. Other than defence sector, the Company has also got a limited presence in the civilian market.

Material Accounting Policies

1. Basis of Preparation

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

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability and contingent assets as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account of 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:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- 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 recognised 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 over time**

a. Revenue is recognised overtime where the transfer of control of goods or services take places over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

Material Accounting Policies on Ind AS Standalone Financial Statements

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

iii. **Satisfaction of performance obligation at a point in time**

a. In respect of cases where the transfer of control does not take place over time, 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 is 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

iv. **Measurement**

a. Revenue is recognised 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. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

Bundled Contracts - In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies the recognition criteria to separately identifiable components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

Multiple Elements - In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their stand-alone selling price.

c. If the stand-alone selling price is not available the company estimates the stand alone selling price.

v. **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.

vi. **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. Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

iii. Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increase in rentals are in line with expected inflation or otherwise justified.

iv. Duty Drawbacks

Duty drawback claims on exports are accounted on accrual basis.

v. Other Income

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

6. Property, Plant and Equipment, Capital Work-in-Progress

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and cumulative 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.

The cost of property, plant and equipment not ready for their intended use as at each reporting 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.

7. Intangible Assets, Intangible Asset under Development

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an Intangible Asset in the books of account when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the reporting date are classified as "Intangible Assets under Development".

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

Material Accounting Policies on Ind AS Standalone Financial Statements

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

Intangible Asset under Development includes amount funded by the company to external agencies towards developmental project(s) and expenditure incurred by the company towards material cost, employee cost and other direct expenditure.

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.

8. Depreciation / Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company, based on technical assessments, depreciates certain items of building, plant and equipment and other asset classes over estimated useful lives which are different from the useful life 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 basis over its estimated useful life.

The residual values, useful lives and methods of depreciation / amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The residual values, useful lives and amortisation methods, are reviewed at each financial year end and adjusted prospectively, if appropriate.

9. 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 and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment) is included in the statement of profit and loss when the property, plant and equipment is derecognised.

10. Research and Development Expenditure

(i) Expenditure on Research activity is recognised 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.

Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected.

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) Expenditure incurred on Developmental projects for participating in No Cost No Commitment (NCNC) trials, based on Request for Quote from customer, are carried forward till conclusion of the trials and will be amortised over the orders to be received.

In case customer order is immediately not forthcoming:

- the amount is capitalised if further economic benefit is expected from its use, or
- the amount is charged off in the event of the project being closed by the customer / end user without any commitment to place order.

11. 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 either separately on its own or in combination with other assets / expenses.

12. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in determining fair value less costs of disposal.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

14. 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.

Material Accounting Policies on Ind AS Standalone Financial Statements

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.

Company as a lessor:

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease :

At commencement date, amount equivalent to the "net investment in the lease" is presented as a Receivable. The implicit interest rate is used to measure the value of the "net investment in Lease".

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments.

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

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

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

15. 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.

16. Government Grants

Grants from Government are measured at fair value and initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Asset is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

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

Material Accounting Policies on Ind AS Standalone Financial Statements

17. Investments in Joint Venture and Associates

The Company accounts for it's interests in associates and joint ventures in the separate financial statements at cost.

18. Inventories

All inventories of the Company other than disposable scrap are valued at lower of cost or net realisable value. Disposable scrap is valued at estimated net realisable value. Cost of materials is ascertained by using the weighted average cost formula.

Cost of Work - in - progress and finished goods include Materials, Direct Labour and appropriate overheads.

Adequate provision is made for inventory which are more than five years old which may not be required for further use.

19. 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 in other comprehensive income or equity is recognised in other comprehensive income or equity respectively and not in the statement of profit and 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.

20. Provision for Warranties

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

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

21. Foreign currency transactions and translation

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 to the functional currency by using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

22. Employee Benefits

(i) All employee benefits payable wholly within twelve months of rendering the related services are classified as short term employee benefits and they mainly include (a) Wages & Salaries; (b) Short-term compensated absences; (c) Profit-sharing, incentives and bonuses and (d) Non-monetary benefits such as medical care, subsidised transport, canteen facilities etc., which are valued on undiscounted basis and recognised during the period in which the related services are rendered.

(ii) Incremental liability for payment of long term compensated absences such as Annual Leave, Sick Leave and Half Pay Leave is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit method and the carrying value of the provision contained in the balance sheet and provided for.

Material Accounting Policies on Ind AS Standalone Financial Statements

(iii) Incremental liability for payment of Gratuity and Employee Provident fund to employees is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit Method and the Fair Value of Plan Assets funded in an approved trust set up for the purpose for which monthly contributions are made in the case of provident fund and lump sum contributions in the case of gratuity.

(iv) Incremental liability under BEL Retired Employees Contributory Health Scheme (BERECHS) is determined annually on actuarial basis using Projected Unit Credit Method and provided for.

(v) Actuarial liability for the year is determined with reference to employees at the end of January of each year.

(vi) 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 (asset) is computed by applying the discount rate, used to measure the net defined liability (asset), to 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 and loss.

(vii) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

(viii) Defined Contribution Plan

The Company operates employee pension scheme and superannuation pension scheme for its employees that are categorised as a defined contribution plans. For defined contribution plans, the Company pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

23. Provisions

A. Provisions

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

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.

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 recognised as a finance cost.

B. Contingent Liabilities/Assets

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

24. Cash Flow Statement

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

Material Accounting Policies on Ind AS Standalone Financial Statements

25. Fair value Measurement

The Company measures certain financial instruments, such as derivatives and other items in it's financial statements at fair value at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

26. Financial Assets

(i) Initial Recognition and Measurement

All financial assets are recognised 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.

(ii) Subsequent Measurement

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

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

(iii) Derecognition

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

(iv) Trade 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.

27. Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments 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.

28. Embedded Derivative

The embedded derivative, if required, is separated from host contract and measured at fair value.

29. 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.

30. 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

Material Accounting Policies on Ind AS Standalone Financial Statements

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 and loss.

31. 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 to them.

(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 and 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 (EIR). Gains and losses are recognised as profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

(iv) Trade and Other Payables

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

32. 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.

33. 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.

34. Cash Dividend and Non-Cash distribution to Equity Holders

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.

35. Errors and Estimates

The Company revises it's 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, unless it is impracticable to apply.

Material Accounting Policies on Ind AS Standalone Financial Statements

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and 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.

36. 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 period, 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.

37. 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.

As per our report of even date attached.

For **RAO & EMMAR,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Independent Auditors' Report

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **BHARAT ELECTRONICS LIMITED** (hereinafter referred to as the "Holding Company"), its two Subsidiaries (Holding Company and its Subsidiaries together referred to as the "Group") and its two Associates, BEL IAI AeroSystems Private Limited and GE-BE Private Limited, which comprise the Consolidated Balance Sheet as at March 31, 2026 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial statements/ financial information prepared by the Management, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associates as at March 31, 2026 and their consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Associates 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 Consolidated Financial Statements under the provisions of the Act 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 obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on consideration of the reports of other auditors, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No	Key Audit Matter	Auditors' Response
1	**Revenue recognition** (Including recognition of contract assets, contract cost, and trade receivables) as per Ind AS 115 - Revenue from Contracts with Customers ("Ind AS 115"). (Refer Note 23, 12, 7 to the Consolidated Financial Statements respectively). The Holding Company is engaged in the manufacturing of electronic equipment and systems for the defence sector. Due to long term nature of contracts with the customers, various terms of the contracts pertaining to identification of performance obligation, allocation of transaction price and recognition of contract assets, trade receivables and contract costs, involve judgments. Therefore, revenue recognition is considered as Key Audit Matter.	**Our audit procedures included the following:** a. Obtained an understanding and evaluated the design and operating effectiveness of internal controls implemented by the Management with respect to recognition of revenue, contract assets, receivable and contract cost as per Ind AS 115. b. Obtained customer contracts on sample basis to evaluate terms of the contract to verify whether the accounting policy adopted by the Holding Company complies Ind AS 115. c. Tested the Management's evaluation of Ind AS 115 and tested on a sample basis Managements working for recognition and measurement of multiple performance obligations and related variable considerations if any. d. In respect of revenue transactions selected on sample basis, we have inspected the underlying documents to verify that the control has been transferred to the customer and the Holding Company has right to consideration. e. In case of contract assets as at year end, we verified on sample basis whether right to consideration is impaired and if so, whether appropriate adjustment in the financial statements is made. f. Tested on sample basis whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation as per the terms of delivery specified in the contract. g. On sample basis verified whether the Holding Company has unconditional right to consideration in respect of trade receivable balances recognised during the year. h. Verified on sample basis whether contract cost recognised during the year is incurred either to obtain the contract or to fulfil contract based on criteria specified under Ind AS 115. i. Verified whether appropriate presentation and disclosure is made in the financial statements.
2	**Recognition and measurement of other Intangible assets, Intangible Assets under development and Expenditure Incurred on Research and development** (Refer Note 4, 5, 30(23) to the Consolidated Financial Statements). Total value of: Other Intangible Assets is ₹ 63,903 Lakhs Intangible Assets under Development is ₹ 24,566 Lakhs Expenditure incurred on Research and development is ₹ 1,96,219 Lakhs as at 31 March 2026. The Holding Company has significant investments in Other intangible assets, including internally generated assets, intangible assets under development, and expenditure incurred on research and development activities. The accounting treatment of such expenditure involves significant judgment in determining whether the recognition criteria under Ind AS 38 are met, particularly in distinguishing between research and development phases and assessing eligibility for capitalization.	**Our audit procedures included the following:** a. Understood and evaluated the internal controls implemented by the Management to ensure compliance with recognition and measurement criteria specified under Ind AS 38. b. Obtained project-specific list of other intangible assets and intangible assets under development to understand nature and align with our audit understanding of the Holding Company's activities and business scope. c. Tested the design and operating effectiveness of internal controls over identification, classification, and capitalization of development expenditure. d. Performed audit procedures to verify accuracy and existence of cost capitalised under Other Intangible Assets, Intangible Assets under Development and Cost Incurred under Research and development activities not capitalised due to revenue expenditure. e. Assessing management's basis for classification between research and development expenditure and verifying whether capitalization criteria have been appropriately applied.

Sl. No	Key Audit Matter	Auditors' Response
	Further, determination of useful life, assessment of impairment indicators, and evaluation of recoverability of intangible assets under development involve estimation uncertainty and management judgment. Accordingly, this area has been considered as a Key Audit Matter.	f. Assessed whether cost capitalised by the Holding Company is in nature of development phase by obtaining technical assessment performed by the Management to evaluate: • Technical feasibility of completing the intangible asset. • Intentions and ability of the Company to complete and use the intangible asset. • Whether intangible asset can generate probable future economic benefit. • Whether availability of adequate technical, financial and other resources to complete the development. • Whether expenditure incurred with respect to development projects can be reliably measured. • Its ability to use or sell the intangible asset. (only for "Other Intangible assets") g. Obtained project wise aging of intangible assets under development to identify projects exceeding the originally estimated costs or time for completion. h. Evaluating and reviewing year-end impairment assessment by Management and conducted audit procedures to evaluate the existence of similar conditions in other projects and assess any financial impact. i. Verified on sample basis that capitalization of Intangible assets under development as Development Cost under Intangible Assets are based on customer orders/ Letter of Intent, and useful lives are determined based on their availability for Company use. j. Verified whether appropriate presentation and disclosure is made in the financial statements.
3	**Recognition and Measurement of Provisions under Various heads as expenditure for the FY 2025-26** (Refer Note 29 to the Consolidated Financial Statements). Total value of: • Provision for Obsolete/ redundant Materials ₹ 7,920 Lakhs • Provision for Doubtful Trade Receivables, Contract Assets, LD, Customer's Claims and Disallowances ₹ 1,12,017 Lakhs • Provision for Doubtful Advances, Claims ₹ 1,184 Lakhs • Provision for Performance warranty ₹ 7,951 Lakhs • Provision for Onerous Contracts ₹ 15,531 Lakhs The Holding Company has recognized significant provisions under various heads including provision for doubtful trade receivables/contract assets, doubtful advances/claims, performance warranty obligations, onerous contracts, and obsolete/slow-moving inventories. The determination of such provisions involves significant management judgment and estimation, about recoverability of advances and claims, estimation of future warranty costs, identification of onerous contracts, and assessment of net realizable value of inventories. These estimates are inherently subjective and are based on historical trends, technical evaluations, contractual terms, and management's assumptions regarding future events. Accordingly, this area has been considered as a Key Audit Matter.	**Our audit procedures included the following:** a) Evaluating the Holding Company's accounting policies for recognition and measurement of provisions for compliance with applicable accounting standards and Companies accounting policies. b) Testing the design and operating effectiveness of internal controls over identification, estimation, and review of provisions. c) Reviewing ageing analysis, subsequent recoveries, and historical trends to evaluate adequacy of provisions for doubtful debts, advances, and claims. d) Examining the basis for provision for performance warranties, including historical claim trends and technical estimates. e) Reviewing contracts to identify onerous obligations and evaluating management's assessment of unavoidable costs versus expected economic benefits. f) Assessing the valuation of inventories, including identification of obsolete/slow-moving items and comparison with net realizable value. Based on the procedures performed, the provisions recognized by the Holding Company are considered reasonable and in compliance with applicable accounting standards, and no material misstatements were observed.

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' report thereon, which we obtained prior to the date of this Auditors' report, and the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, which is expected to be made available to us after that date.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditors' report, 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. When we read the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and consolidated cash flows of the Group and its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group and its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its Associates are responsible for assessing the ability of the Group and its Associates 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 companies included in the Group and its Associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its Associates are responsible for overseeing the financial reporting process of the Group and its Associates.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Consolidated 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 Consolidated 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 Act, we are also responsible for expressing our opinion on whether the Group and its Associates has adequate internal financial controls with reference to the Consolidated Financial Statements 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 ability of the Group and its Associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the Consolidated 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 Auditors' report. However, future events or conditions may cause the Group and its Associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates to express an opinion on the Consolidated Financial Statements.

We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

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

We communicate with those charged with governance of the Holding Company and other companies included in the Consolidated Financial Statements of which we are the independent auditors 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 and based on audit reports of other auditors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' 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.

Other Matters

1. We did not audit the Financial Statements of two subsidiaries included in the Consolidated Financial Statements, whose Financial Statements reflect total assets of ₹ 52,214 Lakhs as at March 31, 2026, revenue from operation of ₹ 26,996 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 777 Lakhs and net cash outflows of ₹ 2,925 Lakhs, for the year ended as on that date. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

2. We did not audit the Financial Statements / Results / Information of two associates, namely BEL IAI AeroSystems Private Limited and GE-BE Private Limited, whose financial statements reflect the Group's share of loss of ₹ 69 Lakhs and net profit after tax of ₹ 4,000 Lakhs respectively, representing 40% and 26% interest accounted for using the equity method. These figures are based on the management drawn / unaudited financial statements of the respective associates.

   According to the information and explanations provided to us by the management of the Holding Company, and based on our assessment, the financial statements of these associates are not material to the consolidated financial statements of the Group.

3. We did not audit the financial statements/ results/ information of six branches included in the Standalone Financial Statements of the Holding Company whose financial statements / financial information reflect total assets of ₹ 9,34,003 Lakhs as at March 31, 2026, revenue from operations of ₹ 9,56,207 Lakhs and total profit before tax of ₹ 2,99,972 Lakhs for the year ended on March 31, 2026. The financial statements / financial information of these branches has been audited by the branch auditors appointed by the Comptroller & Auditor General of India, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

4. As on 31 March 2026, the Holding Company's Board of Directors comprises seven Whole-time Executive (Functional) Directors including the Chairman and Managing Director, two Part-time Government (Non-Executive) Directors and three independent directors. The composition of Board is not in terms of Regulation 17(1) of SEBI (LODR) Regulation, 2015 and Section 149 of the Companies Act, 2013, due to non-appointment of requisite number of Independent Directors including one Independent Woman Director on the Board of the holding company by Ministry of Defence, Government of India.

   There are six vacancies of Independent Directors, including one Independent Woman Director as on 31 March 2026. All the vacancies were notified in time to Government. for filling up and the matter is under consideration of the Ministry of Defence, Government of India.

5. The Holding Company has made investments in Defence Innovation Organisation (DIO), Electronic Warfare (Defence) Testing Foundation, Communication (Defence) Testing Foundation and UAS Testing Foundation, which are not-for-profit companies registered under Section 8 of the Companies Act, 2013. These entities have not been considered for consolidation in the consolidated financial statements, as the Holding Company does not exercise control over these entities nor does it have rights to variable returns from its involvement, other than the equity investment.

   Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements, as noted in the Other Matters paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2 (i) (vi) below on reporting under Rule 11(g).

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act,

read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) According to the information and explanation provided to us and as per notification no. GSR 463(E) dated 5th June 2015, Section 164 (2) of the Act – 'Disqualifications for appointment of director' is not applicable to the Government Companies. The Companies in the Group are Government Companies.

f) With reference to the maintenance of accounts and other matters connected therewith, refer to our comment in Paragraph 1 (b) above and refer to our comment in paragraph 1 (i) (vi) below, on reporting under rule 11 (g).

g) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in **Annexure I**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

h) According to the information and explanation provided to us and as per notification no. GSR 463(E) dated 5th June 2015, Section 197 of the Act – 'Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits' is not applicable to the Government Companies. The Companies in the Group are Government Companies.

i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of reports of the other auditors on separate financial statements:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group and its Associates – Refer Note 30 (10) (i) and 32 (c) to the Consolidated Financial Statements.

ii. The Group has made provision as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts. The Group did not have any derivative contracts. Refer Note 21 to the Consolidated financial statements.

iii. There has been no delay in amounts, required to be transferred, to the Investor Education and Protection Fund by the companies in the Group during the year ended 31 March 2026.

iv. a) The respective Managements of the Holding Company and its subsidiaries which are companies whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their 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 Holding Company or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 30 (18) (e) to the Consolidated Financial Statements.

b) The respective Managements of the Holding Company and its subsidiaries which are companies whose financial statements have been audited under the Act, have represented to us and their respective auditors that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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. Refer note 30 (18) (f) to the Consolidated Financial Statements.

c) Based on the information and explanation given to us and audit procedures performed as considered reasonable and appropriate in the circumstances by us in case of Holding Company, nothing has come to our notice or the auditors of the subsidiaries, that has caused us to believe that the representations made by the respective Managements under clause (i) (iv) (a) and (iv) (b) above contain any material misstatement.

v. As stated in Note 30 (16) to the Consolidated Financial Statements

a) The final dividend proposed in the previous year, declared and paid by the companies in the Group during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Holding Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c) The Board of Directors of the Holding Company and a subsidiary 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 proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries whose financial statements have been audited under the Act, the Holding Company and two subsidiary companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in the Holding Company's accounting software no audit trail (edit log) facility/feature was enabled at the database level to log any direct changes.

Further, during the course of our audit so far it relates to audit trail in respect of transactions, we and respective auditor of the above referred subsidiary company did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent Company and above referred subsidiary companies incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company and other auditors of subsidiaries included in the Consolidated Financial Statements of the group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

3. As required by Section 143(5) of the Act, We and other auditors of subsidiary companies have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and separate Financial Statements of the respective companies. In our opinion and to the best of our information and according to the explanations given to us and based on the audit reports provided by the other auditors there is no qualification or adverse remark and any financial impact on the Consolidated Financial Statements of the Group.

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number: 003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713FQKAZC4175

Dharamashala
19 May 2026

"Annexure I" to the Independent Auditors' Report

Referred to in paragraph 2 (g) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the group as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to the Consolidated Financial Statements of **Bharat Electronics Limited (hereinafter referred to as the "Holding Company"**) and its two Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its two Associates, BEL IAI AeroSystems Private Limited and GE-BE Private Limited, as of that date.

Management's Responsibility for Internal Financial Controls

The Management of the companies included in the Group and its Associates are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 group'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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and Associate's internal financial controls with reference to the Consolidated Financial Statements based on our audit and audit reports of subsidiaries and associates. 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, to the extent applicable to an audit of internal financial controls, 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 Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial with reference to Consolidated Financial Statements, 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 Auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and audit evidence obtained by other auditors of subsidiaries referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and subsidiaries' internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

The Group's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. The Group's internal financial control with reference to the Consolidated Financial Statements 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 group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of Management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Consolidated Financial Statements 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 and based on the audit reports of other auditors, the Holding Company and subsidiaries have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to two subsidiary companies is based on the corresponding reports of the auditors of such companies. The financial statements of two Associate companies (BEL IAI AeroSystems Private Limited and GE-BE Private Limited) are management drawn / unaudited and are immaterial to the Group. Our opinion is not modified in respect of the above matter.

For **RAO & EMMAR**
Chartered Accountants
Firm Registration Number: 003084S

Praveen B J
Partner
Membership Number: 215713
UDIN: 26215713FQKAZC4175

Dharmashala
19 May 2026

By Speed Post
Confidential

Insp-1/BEL Accs 25-26/2026-27/ 129

प्रधान निदेशक लेखापरीक्षा (रक्षा-वाणिज्यिक) का कार्यालय,
ऑडिट भवन - II
तृतीय और चौथा तल, 68/2, एच. सिद्दैया रोड
अर्चना कॉम्प्लेक्स के सामने,
एच. सिद्दैया रोड रेफरल हॉस्पिटल के बगल में,
दोड्डमावल्ली, सुधामा नगर, बेंगलुरु - 560002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(DEFENCE - COMMERCIAL),
Audit Bhawan – II
3rd and 4th floor, 68/2, H. Siddaiah Road,
Opposite Archana Complex,
Next to H. Siddaiah Road Referral Hospital,
Doddamavalli, Sudhamanagar, Bengaluru-560002

दिनांक / DATE 20.7.2026

To
Shri Manoj Jain,
Chairman and Managing Director,
Bharat Electronics Limited,
PO Nagavara, Outer Ring Road,
Bengaluru – 560 045.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026.

I forward **Nil Comments Certificate** of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026.

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; and

(iii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

K. Jyothi Priya

(K. Jyothi Priya)
Director (Reports)

Encl: As above.

Phone : 080-22267646 / 22254838 Fax : 080-2226 2491 Email : pda.dc.blr@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT ELECTRONICS LIMTED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2026

The preparation of consolidated financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with 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 19 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Bharat Electronics Limited, Bengaluru** for the year ended 31 March 2026 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Bharat Electronics Limited, Bengaluru, BEL Thales Systems Limited, Bengaluru and BEL Optronics Devices Limited, Pune for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to GE BE Private Limited, Bengaluru and BEL IAI Aerosystem Private Limited, New Delhi being private entities, for appointment of their Statutory Auditors and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sudha Rajan

(Sudha Rajan)
Director General of Audit, Defence - Commercial

Place: Bengaluru
Date: 20July 2026

Consolidated Balance Sheet

(₹ in lakhs)

Particulars	Note no.	As at 31 March 2026	As at 31 March 2025
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1	3,48,159	3,20,453
(b) Capital work-in-progress	2	48,550	47,698
(c) Investment property	3	4	4
(d) Other intangible assets	4	63,903	21,466
(e) Intangible assets under development	5	24,566	57,482
(f) Investment in associate		17,472	16,136
(g) Financial assets			
(i) Investments	6	62,487	58,161
(ii) Trade receivables	7	-	-
(iii) Loans	8	826	663
(iv) Other financial assets	9	2,479	2,415
(h) Deferred tax assets (net)	10	58,747	53,484
(i) Inventories	11	-	-
(j) Other non current assets	12	20,872	19,436
		6,48,065	**5,97,398**
(2) Current assets			
(a) Inventories	11	10,17,553	9,11,898
(b) Financial assets			
(i) Trade receivables	7	12,87,576	9,11,637
(ii) Cash & cash equivalents	13	1,88,796	71,345
(iii) Bank balances [other than (ii) above]	14	6,68,407	8,83,165
(iv) Loans	8	175	147
(v) Other financial assets	9	16,004	24,133
(c) Current tax assets (net)	15	28,134	35,362
(d) Other current assets	12	5,99,042	6,48,101
		38,05,687	**34,85,788**
TOTAL ASSETS		**44,53,752**	**40,83,186**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	73,098	73,098
(b) Other equity		23,25,733	19,24,291
Total equity attributable to the owners of the company		**23,98,831**	**19,97,389**
Non controlling interest		1,883	1,894
Total equity		**24,00,714**	**19,99,283**

Consolidated Balance Sheet

(₹ in lakhs)

Particulars	Note no.	As at 31 March 2026	As at 31 March 2025
LIABILITIES			
(1) Non-current liabilities			
(a) Deferred income	17	9,130	10,155
(b) Financial liabilities			
(i) Borrowings	18	-	-
(ia) Lease liabilities		6,243	5,869
(ii) Trade payables	19		
- total outstanding dues of micro enterprises & small enterprises; and		-	-
- total outstanding dues of creditors other than micro enterprises & small enterprises		-	-
(iii) Other financial liabilities	20	2,232	1,457
(c) Provisions	21	1,08,383	90,216
(d) Deferred tax liabilities (net)	10	1,075	952
(e) Other non-current liabilities	22	-	-
		1,27,063	**1,08,649**
(2) Current liabilities			
(a) Deferred income	17	1,681	1,618
(b) Financial liabilities			
(i) Borrowings	18	-	-
(ia) Lease liabilities		303	254
(i) Trade payables	19		
- total outstanding dues of micro enterprises & small enterprises; and		21,373	17,777
- total outstanding dues of creditors other than micro enterprises & small enterprises		3,36,967	3,16,100
(ii) Other financial liabilities	20	1,58,099	1,36,832
(c) Other current liabilities	22	13,22,105	14,28,702
(d) Provisions	21	85,447	73,971
(e) Current tax liabilities (net)	15	-	-
		19,25,975	**19,75,254**
TOTAL EQUITY AND LIABILITIES		**44,53,752**	**40,83,186**

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Consolidated Statement of Profit and Loss

(₹ in lakhs)

Sl. No.	Particulars	Note no.	For the year ended 31 March 2026	For the year ended 31 March 2025
I	Revenue from operations	23	27,61,011	23,76,875
II	Other income	24	56,603	74,236
III	**Total income (I+II)**		**28,17,614**	**24,51,111**
IV	**EXPENSES**			
	a Cost of material consumed		13,88,161	12,57,818
	b Consumption of stock in trade		74,842	43,041
	c Changes in inventories of finished goods, work in progress & scrap	25	(59,688)	(82,136)
	d Employee benefits expense	26	3,11,555	2,76,063
	e Finance costs	27	673	968
	f Depreciation and amortisation expense	28	55,567	46,738
	g Other expenses	29	2,41,208	1,98,719
	TOTAL EXPENSES (a to g)		**20,12,318**	**17,41,211**
V	**Profit before exceptional items, share of net profit of associate accounted under equity method & tax (III - IV)**		**8,05,296**	**7,09,900**
VI	**Exceptional items**		-	-
VII	**Profit before share of net profit of associate accounted under equity method & tax (V - VI)**		**8,05,296**	**7,09,900**
VIII	Tax Expense	10		
	- Current tax		2,06,443	1,76,775
	- Earlier years tax		(3)	260
	- Deferred tax		(3,491)	4,150
	Total provision for taxation		**2,02,949**	**1,81,185**
IX	**Profit before share of net profit of associate accounted under equity method (VII - VIII)**		**6,02,347**	**5,28,715**
X	Share of net profit of associate accounted under equity method		3,879	3,553
XI	**Profit for the year (IX+X)**		**6,06,226**	**5,32,268**
XII	**Other comprehensive income / (loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	- Remeasurement of the net defined benefit liability/asset		4,766	968
	- Equity instruments through other comprehensive income		1	2
	- Share of other comprehensive income of associate accounted under equity method (net of tax)		5	(9)
	- Income tax relating to these items		(1,201)	(239)
	Total other comprehensive income / (loss) (net of tax)		**3,571**	**722**
XIII	**Total comprehensive income for the year (XI + XII) [comprising profit and other comprehensive income for the year]**		**6,09,797**	**5,32,990**

Consolidated Statement of Profit and Loss

(₹ in lakhs)

Sl. No.	Particulars	Note no.	For the year ended 31 March 2026	For the year ended 31 March 2025
XIV	**Net profit / (loss) attributable to**			
	a) Owners of the company		6,06,200	5,32,144
	b) Non controlling interest		26	124
	Other comprehensive income attributable to			
	a) Owners of the company		3,571	722
	b) Non controlling interest		-	-
	Total comprehensive income attributable to			
	a) Owners of the company		6,09,771	5,32,866
	b) Non controlling interest		26	124
XV	**Earnings per equity share (face value of INR 1/- each) :**	30(1)		
	(1) Basic [in INR]		8.29	7.28
	(2) Diluted [in INR]		8.29	7.28

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Consolidated Statement of Changes in Equity

(₹ in lakhs)

A. Equity share capital

Particulars	Note no.	Amount
Balance as at 1 April 2025		73,098
Changes in equity share capital during the year		
- Issue of bonus shares	16	-
- Buyback of shares		-
Balance as at 31 March 2026		**73,098**

Particulars	Note no.	Amount
Balance as at 1 April 2024		73,098
Changes in equity share capital during the year		
- Issue of bonus shares	16	-
- Buyback of shares		-
Balance as at 31 March 2025		**73,098**

B. Other equity

Particulars	Note no.	Reserves & surplus					Other reserve		Non controlling interest	Total other equity
		Capital reserve *	Capital reserve on consolidation of subsidiary *	Capital redemption reserve *	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *		
Balance as at 1 April 2025		**4,669**	**362**	**1,868**	**5,10,814**	**14,71,455**	**15**	**(64,892)**	**1,894**	**19,26,185**
Profit for the year		-	-	-	-	6,06,226	-	-	-	6,06,226
Consolidation adjustments (Transfer of NCI share)		-	-	-	-	(26)	-	-	26	-
Addition during the year		-	-	-	-	-	1	3,570	-	3,571
Total		**4,669**	**362**	**1,868**	**5,10,814**	**20,77,655**	**16**	**(61,322)**	**1,920**	**25,35,982**
Amount transfer to general reserve		-	-	-	40,000	(40,000)	-	-	-	-
Amount transfer to capital reserve		-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owner										
Dividends	16	-	-	-	-	(2,08,329)	-	-	(37)	(2,08,366)
Issue of bonus shares	16	-	-	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2026		**4,669**	**362**	**1,868**	**5,50,814**	**18,29,326**	**16**	**(61,322)**	**1,883**	**23,27,616**

Consolidated Statement of Changes in Equity

(₹ in lakhs)

Particulars	Note no.	Reserves & surplus					Other reserve		Non controlling interest	Total other equity
		Capital reserve *	Capital reserve on consolidation of subsidiary *	Capital redemption reserve *	General reserves	Retained earnings	Equity instruments through other comprehensive income *	Other comprehensive income *		
Balance as at 1 April 2024		**4,669**	**362**	**1,868**	**4,70,814**	**11,47,435**	**13**	**(65,612)**	**1,792**	**15,61,341**
Profit for the year		-	-	-	-	5,32,268	-	-	-	5,32,268
Consolidation adjustments (Transfer of NCI share)		-	-	-	-	(124)	-	-	124	-
Addition during the year		-	-	-	-	-	2	720	-	722
Total		**4,669**	**362**	**1,868**	**4,70,814**	**16,79,579**	**15**	**(64,892)**	**1,916**	**20,94,331**
Amount transfer to general reserve		-	-	-	40,000	(40,000)	-	-	-	-
Amount transfer to capital reserve		-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owner										
Dividends	16	-	-	-	-	(1,68,124)	-	-	(22)	(1,68,146)
Issue of bonus shares	16	-	-	-	-	-	-	-	-	-
Buyback of shares	16	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025		**4,669**	**362**	**1,868**	**5,10,814**	**14,71,455**	**15**	**(64,892)**	**1,894**	**19,26,185**

* Refer Note 16.

Material accounting policies and accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Consolidated Statement of Cash Flows

(₹ in lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit after share of associate but before exceptional items and tax	8,09,175	7,13,453
Adjustments for:		
Depreciation and amortisation expense	55,567	46,738
Provision for intangible assets under development	4,826	-
Intangible assets under development charged off	-	129
Transfer from government grants	(2,166)	(1,647)
Rental income received from Investment Property	(189)	(182)
Gain / loss on mutual funds	(1,935)	(2,053)
Interest income	(53,529)	(62,234)
Interest on lease liability	425	416
Finance costs	248	552
Profit on sale of property, plant & equipment	(330)	(255)
Operating Profit Before Working Capital Changes	**8,12,092**	**6,94,917**
Increase / (Decrease) due to:		
Trade receivables	(3,75,939)	(1,72,399)
Loans	(191)	34
Other financial assets	2,880	278
Other assets	47,625	99,836
Inventories	(1,05,655)	(1,67,209)
Trade payables	24,463	(36,754)
Other financial liabilities	23,112	6,496
Provisions	34,409	(1,026)
Other liabilities	(1,06,597)	(2,00,282)
Cash Generated from Operations	**3,56,199**	**2,23,891**
Income taxes paid (net)	(2,02,062)	(1,67,464)
Cash Flow Before Exceptional Items	**1,54,137**	**56,427**
Exceptional items	-	-
Net Cash from / (used in) Operating Activities	**1,54,137**	**56,427**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant & equipments and other intangible assets	(98,536)	(1,01,128)
Receipt of grant	1,204	7
Proceeds from sale of property, plant & equipment	393	305
Increase / Decrease in term deposits & other bank balances	2,14,639	1,01,249
Rental income received from Investment Property	189	182
Gain / loss on mutual funds	1,935	2,053
Other investments	(5,657)	(6,083)
Interest received	58,833	67,344
Net Cash from / (used in) Investing Activities	**1,73,000**	**63,929**

Consolidated Statement of Cash Flows

(₹ in lakhs)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend paid	(2,08,289)	(1,68,078)
Repayment of lease liabilities	(724)	(597)
Interest on lease liability	(425)	(416)
Finance costs	(248)	(552)
Net Cash from / (used in) Financing Activities	**(2,09,686)**	**(1,69,643)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**1,17,451**	**(49,287)**
Cash and Cash Equivalents at the beginning of the year	**71,345**	**1,20,632**
Cash and Cash Equivalents at the end of the year	**1,88,796**	**71,345**

Cash flow in respect of CSR Activities is ₹ 3,253 (₹ 2,783).

1. Non-cash changes recognised in respect of liabilities on account of financing activities is :
   (i) Parent Company - Nil (Nil)
   (ii) Subsidiary Company BELOP - Nil (Nil)
   (iii) Subsidiary Company BEL-Thales - Nil (Nil)
2. Material accounting policies and accompanying notes form an integral part of the financial statements.
3. Previous years's figure have been regrouped/reclassified wherever necessary.

As per our report of even date attached.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Consolidated Notes to Accounts

(₹ in lakhs)

Note 1 - Property, plant and equipment

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2026	Accumulated depreciation / amortisation as at 1 April 2025	Depreciation / amortisation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Owned Asset										
Freehold land	14,361	83	-	14,444	-	-	-	-	14,444	14,361
Roads and culverts	5,470	419	-	5,889	1,042	282	-	1,324	4,565	4,428
Buildings	1,37,122	8,673	26	1,45,769	28,561	5,670	22	34,209	1,11,560	1,08,561
Installations	7,890	844	44	8,690	4,369	662	42	4,989	3,701	3,521
Plant and machinery	2,36,946	28,932	491	2,65,387	1,38,981	19,830	491	1,58,320	1,07,067	97,965
Electronic equipment	84,061	10,873	711	94,223	62,004	6,439	710	67,733	26,490	22,057
Equipment for R & D lab	82,889	15,776	163	98,502	58,475	9,436	163	67,748	30,754	24,414
Vehicles	1,736	317	35	2,018	1,129	240	24	1,345	673	607
Office equipment	29,882	7,834	372	37,344	16,421	4,451	343	20,529	16,815	13,461
Furniture, fixtures and equipments	13,710	2,051	99	15,662	8,617	1,146	83	9,680	5,982	5,093
Assets acquired for sponsored research	65	-	-	65	65	-	-	65	-	-
Right Of Use Asset										
Leasehold land	21,977	59	-	22,036	836	161	-	997	21,039	21,141
Lease of other assets	5,976	806	135	6,647	1,132	581	135	1,578	5,069	4,844
Total	**6,42,085**	**76,667**	**2,076**	**7,16,676**	**3,21,632**	**48,898**	**2,013**	**3,68,517**	**3,48,159**	**3,20,453**

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2025	Accumulated depreciation / amortisation as at 1 April 2024	Depreciation / amortisation for the year	Deductions / adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Owned Asset										
Freehold land	14,361	-	-	14,361	-	-	-	-	14,361	14,361
Roads and culverts	3,345	2,125	-	5,470	800	242	-	1,042	4,428	2,545
Buildings	1,08,308	28,814	-	1,37,122	23,489	5,072	-	28,561	1,08,561	84,819
Installations	6,941	950	1	7,890	3,779	591	1	4,369	3,521	3,162
Plant and machinery	2,18,713	18,638	405	2,36,946	1,20,864	18,522	405	1,38,981	97,965	97,849
Electronic equipment	75,217	9,985	1,141	84,061	56,982	6,157	1,135	62,004	22,057	18,235
Equipment for R & D lab	71,160	11,902	173	82,889	51,498	7,150	173	58,475	24,414	19,662
Vehicles	1,400	338	2	1,736	921	210	2	1,129	607	479
Office equipment	21,102	9,003	223	29,882	13,447	3,156	182	16,421	13,461	7,655
Furniture, fixtures and equipments	12,154	1,628	72	13,710	7,666	1,022	71	8,617	5,093	4,488
Assets acquired for sponsored research	65	-	-	65	65	-	-	65	-	-
Right Of Use Asset										
Leasehold land	21,035	942	-	21,977	675	160	(1)	836	21,141	20,360
Lease of other assets	6,020	46	90	5,976	788	434	90	1,132	4,844	5,232
Total	**5,59,821**	**84,371**	**2,107**	**6,42,085**	**2,80,974**	**42,716**	**2,058**	**3,21,632**	**3,20,453**	**2,78,847**

Consolidated Notes to Accounts

(₹ in lakhs)

i. Freehold Land consists of 2,086.21 acres (2,086.07 acres) and Leasehold Land consists of 992.66 acres (992.66 acres).

Freehold land includes INR 176 (INR 155) [represents absolute figure] transferred to investment property during the year.

ii. Freehold Land includes 5.49 acres (5.32 acres) leased to commercial / religious organisations and in their possession.

iii Additions related to R&D assets during the year which are not included in the R&D assets class however capitalised under natural code heads amounts to ₹ 4,805 (₹ 3,762).

iv. **Site Restoration Obligation**

Refer Note 21 for Site Restoration Obligation in respect of Wind Mill & Solar Power Plants.

Gross Block Value of Plant & Machinery includes Site Restoration Obligation of ₹ 2,494 (₹ 2,440) in respect of Wind Mill & Solar Power Plants. Site Restoration Obligation: Difference of ₹ 53 between SRO Assets and SRO provision under note 21, is due to the revision of Gross Block Value as the deemed cost of the Property, Plant & equipment on transition to Ind AS (01.04.2015).

v **Contractual Commitments**

Refer Note 30 (9) for outstanding Contractual Commitments.

vi. **Deemed Cost**

On transition to Ind AS (01.04.2015), the group has elected to continue with the carrying value of all its property, plant and equipment as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the Property, Plant & Equipment.

vii. **Estimation of Useful Life of Assets**

The management has estimated the useful life of the various categories of Property, Plant & Equipment (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful lives of various categories of Property, Plant & Equipment of the Parent company is as follows:

Asset Class	Years
Buildings	20 - 40
Roads & Culverts	20 - 40
Installations	10
Plant & Machinery	2 - 25
Electronic Equipments	5 - 7
Vehicles	4 - 5
Office Equipments	5 - 7
Furniture, Fixtures and equipments	6 - 10
Equipments for R&D Labs	5

Consolidated Notes to Accounts

(₹ in lakhs)

In respect of subsidiaries and associate, estimated useful lives as per Schedule II to the Companies Act, 2013 has been adopted except for the following cases:

Asset Class	Years
BELOP	
Plant & Machinery - Continuous Process Plant	15
BEL Thales	
Plant & Machinery	5 - 15
Electronic Equipments	5
Computer Systems	5

viii. **Depreciation / Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

Leased Assets are amortised on a straight-line basis over their estimated useful lives or their respective lease term whichever is shorter.

ix. **Method of Accounting Depreciation**

Depreciation / Amortisation has been calculated as per the Accounting Policy No. 8 of the Group and recognised as expenses in the Statement of Profit and Loss. Amount of Depreciation recognised as part of Cost of Other Asset is Nil (Nil).

x. **Impairment of Assets**

Refer Note 30 (7).

xi. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, Plant & Equipment.

xii. Land acquired free of cost from the Government in some units has been accounted in line with provisions of Ind AS 101.

xiii. **Details of Registration, Pending Litigation etc., [parent company]**

a. Pending execution of title/sale deed and handing over physical possession of land allotted by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) in respect of land admeasuring 5.60 acres (5.60 acres) in Mallapur allotted to BEL, Hyderabad and the matter being under litigation, no provision towards registration and other costs has been made in the books of account. Cost of land paid to APIIC amounting to ₹ 65 (₹ 65) is included in Capital Advances.

b. Based on the Memorandum of Understanding reached with the Defence authorities, assets constructed on the land allotted to BEL and in possession of BEL are capitalised under the respective heads for setting up of the Hyderabad Unit. Pending finalisation of the terms and conditions by the appropriate authorities, the cost of land measuring 25.11 acres (25.11 acres) has not been accounted in the books of accounts.

c. Land admeasuring 122.82 acres (122.82 acres) at Ibrahimpatnam alloted by APIIC / TSIIC possession is given for which sale deed is pending.

d. A demand of ₹ 648 (₹ 648) being 50% of the compensation amount decreed by City Civil Court, Hyderabad has been received towards additional compensation from TSIIC dated 31.01.2015 for Land of 22.375 acres (22.375 acres) which is part of free hold land mentioned above. The demand is under dispute and hence, no provision in respect of the same has been made in the books of accounts.

Consolidated Notes to Accounts

(₹ in lakhs)

e. Freehold Land to the extent of 1.22 acres (1.22 acres) which was allotted by Government Authorities in Bengaluru in return for handing over of Land measuring 1.24 acres (1.24 acres) is under litigation.

f. The parent Company has installed Windmill Generator at three locations. Out of which : Windmill Generator-I capitalised in the year 2006-07 on Lease Land. Lease deed in respect of aforesaid land is under litigation with High Court of Karnataka.

g. The title deed in respect of land measuring 0.979 acres (0.566 acres) is under litigation. Three cases are pending in the Civil Court Ambala, SDM cum Assistant Collector, UT, Chandigarh and District Court, Panchkula.

h. Sale deed is pending for finalisation of the land admeasuring 913.99 acres (913.99 acres) at Palasamudram (Defence System Integration Complex - DSIC), Ananthapur Dist., AP.

i. Land measuring 0.67 acres (12.52 acres) at Sohna (Haryana), mutation is pending with concerned Tehsildaar. (Ghaziabad Complex of Parent Company).

xiv. Parent company has installed solar power plants on lease land in Ordance Factory Board at Medak, Itarsi, Bolangir, HVF Avadi, GCF Jabalpur, VFJ Jabalpur, Hazratpur, Muradnagar, Nalanda, MSF Ishapore by paying a nominal value of INR 1 [represents absolute figure] as annual lease rent for every plant.

xv. Parent company has prepaid rent for 3 MW Hassan & 8.4 MW Davangere windmill plants are capitalised as Right of Use on transition to Ind AS 116.

xvi. Physical possession in respect of 31.15 acres of land located at Devanahalli, Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and capitalised under Lease hold land at ₹ 8,916 (₹ 8,916). As per the terms of the lease agreement, on successful commencement of the project the same will be converted as freehold land. Since it is a lease cum sale agreement, depreciation is not provided for the same.

xvii. Short term lease amount expended during the year is Nil (Nil).

xviii. Repayment of Lease during the year amounts to ₹ 724 (₹ 597).

xix. Gross block and Accumulated Depreciation in Parent company includes Electronic Equipment Include ₹ 247 and ₹ 247 (₹ 247 and ₹ 247) towards assets procured out of other grant.

xx. Electronic Equipment of acquisition value ₹ 21,630 and (₹ 14,615) in Parent company are lying with vendors. Plant & Machinery of acquisition value ₹ 55 (₹ 55) is lying outside the factory premises and Furniture of acquisition value ₹125 (Nil) is lying outside the factory premises.

xxi. Investment property transferred to Freehold Land during the Year INR 533 (Nil) [represent absolute figure].

Consolidated Notes to Accounts

(₹ in lakhs)

Note 2 - Capital work-in-progress

Particulars	As at 31 March 2026		As at 31 March 2025	
Civil Construction	34,981		27,236	
Plant & Machinery	11,366		15,364	
Others	1,954		4,119	
Capital Items in Transit	249		979	
		48,550		**47,698**
Less : Provision for impairment		-		-
		48,550		**47,698**

Capital Work in Progress 2025-26

Particulars	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	17,066	17,785	3,745	1,082	39,678
Others*	7,033	880	464	495	8,872
Projects temporarily suspended	-	-	-	-	-
Provision for impairment	-	-	-	-	-
Total	**24,099**	**18,665**	**4,209**	**1,577**	**48,550**

*Others includes for asset class like, Installation, Electronic Equipments, Furnitures etc,.

Completion schedule - Time or Cost overrun

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project-Ibrahimpatnam	16,007	-	-	-	16,007
DSIC (PHASE-I)	-	11,591	-	-	11,591
D 29 Golden LRUs	1,874	-	-	-	1,874
D29 GSEs	735	-	-	-	735
Fire Hydrant Systems	399	-	-	-	399
Jigs & Fixtures Stores	306	-	-	-	306
Clean Room MWC Building	256	-	-	-	256
Total	**19,576**	**11,591**	**-**	**-**	**31,167**

Completion schedule - Suspended projects

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Capital Work in Progress 2024-25

Particulars	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	29,034	7,277	1,062	648	38,021
Others*	7,991	1,420	188	78	9,677
Projects temporarily suspended	-	-	-	-	-
Provision for impairment	-	-	-	-	-
Total	**37,025**	**8,697**	**1,250**	**726**	**47,698**

*Others includes for asset class like, Installation, Electronic Equipments, Furnitures etc,.

Completion schedule - Time or Cost overrun

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project-Ibrahimpatnam	13,049	-	-	-	13,049
DSIC Palasamudram	-	6,610	-	-	6,610
D29 GSEs	5,864	-	-	-	5,864
Project-RF Super Component Facility	2,717	-	-	-	2,717
D 29 Golden LRUs	931	-	-	-	931
EVM Project-Civil	634	-	-	-	634
Clean Room MWC Building	187	-	-	-	187
Wind Energy Power Plant	-	12	-	-	12
Rain Water Harvesting	10	-	-	-	10
Total	**23,391**	**6,622**	**-**	**-**	**30,013**

Completion schedule - Suspended projects

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

i. Civil construction mainly comprises of Production related building and Product Developement & Innovation Centre (PDIC).

ii. Refer Note 30 (9) in respect of contractual commitments.

iii. Refer Note 12 in respect of Unadjusted Capital Advance paid towards Property, plant & equipment.

iv. **Impairment of Assets**

Refer Note 30 (7).

Consolidated Notes to Accounts

(₹ in lakhs)

Note 3 - Investment property

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2026	As at 1 April 2025	Depreciation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Freehold land *	-	-	-	-	-	-	-	-	-	-
Buildings**	8	-	-	8	4	-	-	4	4	4
Total	**8**	**-**	**-**	**8**	**4**	**-**	**-**	**4**	**4**	**4**

* Freehold land of Parent company includes INR 3,915 (INR 4,273) [represents absolute figure] which is rounded off.

** Building Includes INR 19,920 (INR 19,920) [represents absolute figure] of depreciation which is rounded off.

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2025	As at 1 April 2024	Depreciation for the year	Deductions / adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Freehold land *	-	-	-	-	-	-	-	-	-	-
Buildings**	8	-	-	8	4	-	-	4	4	4
Total	**8**	**-**	**-**	**8**	**4**	**-**	**-**	**4**	**4**	**4**

* Freehold land of Parent company includes INR 4,273 (INR 4,118) [represents absolute figure] which is rounded off.

** Building Includes INR 19,920 (INR 19,920) [represents absolute figure] of depreciation which is rounded off.

i. Amount recognised in Statement of Profit & Loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a. Rental Income	189	182
b. Direct Operating Expenses (including R&M) from property that generated rental income	-	-
c. Direct Operating Expenses (including R&M) from property other than above	-	-
d. Depreciation	-	-
e. Profit from Investment property	189	182

ii.
Refer Note 30(9) for Contractual Commitments.

iii. Fair Value of the investment properties

Particulars	As at 31 March 2026	As at 31 March 2025
Land	3,796	4,132
Building	830	830

iv. Estimation of Fair Value

The parent company has estimated the fair value of the investment property based on the Government Guidance Value (municipal value) of the similar properties in the investment property's location and not based on the valuation by registered valuer.

Consolidated Notes to Accounts

(₹ in lakhs)

v. Deemed Cost

On transition to Ind AS (01.04.2015), the Group has elected to continue with the carrying value of all its investment property as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of the investment property.

vi. Estimation of Useful Life of Assets

The parent company has estimated the useful life of the various categories of Property, Plant and Equipment (which are different from the useful life indicated in Schedule II to the Companies Act, 2013) after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence, etc.

The estimated useful life of Tangible Asset is as follows:

Asset Class	Years
Buildings	40

vii. Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the Assets.

The amount of Depreciation has been recognised as expense in the Statement of Profit and Loss.

viii. Method of Accounting Depreciation

Depreciation has been calculated as per the Accounting Policy No. 8 of the group and recognised as expenses in the Statement of Profit and Loss.

ix. Impairment of Assets

As the fair value of the Investment Property is higher than its carrying value, there is no indication of impairment.

x. Restrictions on the releasability of Investment Property

There is no restriction on the land alloted to the Company by Government.

xi. Details of Registration, pending Litigation etc.,

Nil (Nil).

Note 4 - Other intangible assets

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2025	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2026	Accumulated amortisation as at 1 April 2025	Amortisation for the year	Deductions / adjustments during the year	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Intangible assets - others										
Computer operating system*	3	-	-	3	2	1	-	3	-	1
Licencing fee	29,266	-	-	29,266	13,948	1,973	-	15,921	13,345	15,318
Softwarelicenses/implementation Enterprise resource planning (ERP)	4,210	248	-	4,458	3,167	386	-	3,553	905	1,043
Others (Development Cost)**	11,293	48,859	-	60,152	6,189	4,310	-	10,499	49,653	5,104
Total	**44,772**	**49,107**	**-**	**93,879**	**23,306**	**6,670**	**-**	**29,976**	**63,903**	**21,466**

* Amortisation for the year includes INR 36,129 (INR 36,129) [represents absolute figure] which is rounded off.

** Includes funding to other development agencies.

Consolidated Notes to Accounts

(₹ in lakhs)

PARTICULARS	GROSS CARRYING AMOUNT				AMORTISATION				NET CARRYING AMOUNT	
	As at 1 April 2024	Additions / adjustments during the year	Deductions / adjustments during the year	As at 31 March 2025	Accumulated amortisation as at 1 April 2024	Amortisation for the year	Deductions / adjustments during the year	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Intangible assets - others										
Computer operating system*	3	-	-	3	2	-	-	2	1	1
Licencing fee	29,266	-	-	29,266	11,975	1,973	-	13,948	15,318	17,291
Software licenses / implementation Enterprise resource planning (ERP)	3,452	760	2	4,210	2,539	629	1	3,167	1,043	913
Others (Development Cost) **	11,233	60	-	11,293	4,768	1,421	-	6,189	5,104	6,465
Total	**43,954**	**820**	**2**	**44,772**	**19,284**	**4,023**	**1**	**23,306**	**21,466**	**24,670**

* Amortisation for the year includes INR 36,129 (INR 36,129) [represents absolute figure] which is rounded off.

** Includes funding to other development agencies.

i. Deemed Cost

On transition to Ind AS (01.04.2015), the group has elected to continue with the carrying value of all its other intangible assets as at 1 April 2015 measured as per previous GAAP and used that carrying value as the deemed cost of other intangible assets.

ii. Estimated useful life

The estimated useful lives of the Other Intangible Assets [parent company] is as follows :

Asset Class	Years
Software licenses / implementation Enterprise resource planning (ERP)	3
Others (Development Cost)	3 - 15

iii. Amortisation

Amortisation is calculated on a straight-line basis over the estimated useful lives of the Assets.

The amount of Amortisation has been recognised as expense in the Statement of Profit and Loss.

iv. Method of Accounting Amortisation

Amortisation has been calculated as per the Accounting Policy No. 8 of the group and recognised as expenses in the Statement of Profit and Loss.

v. Refer Note 30(9) for Contractual Commitments.

vi. Impairment of Assets

Refer Note 30 (7).

vii. The restriction on the title of the assets is governed by the terms of agreement.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 5 - Intangible assets under development

Particulars	As at 31 March 2026	As at 31 March 2025
Internally developed *	29,562	66,652
Less: Provision for impairment	(4,996)	(9,170)
	24,566	**57,482**

Intangible assets under development 2025-26

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	16,711	9,038	1,974	1,839	29,562
Others	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Provision for Impairment	(1,288)	(1,943)	(597)	(1,168)	(4,996)
Total	**15,423**	**7,095**	**1,377**	**671**	**24,566**

Completion schedule - Time or Cost overrun

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Kawach	2,143	-	-	-	2,143
Long Range Land Attack Cruise Missile	-	2,135	-	-	2,135
Drone Elint	1,051	-	-	-	1,051
Photonic ESM receiver	1,048	-	-	-	1,048
Vihaang ESM System	947	-	-	-	947
Passive Homing Head	546	-	-	-	546
RSDTS	414				414
Unified video and data recorder	-	345	-	-	345
Weapon Interface Computer (WIC)	335	-	-	-	335
Weapon Management Computer (WMC)	275	-	-	-	275
PGB500	122	-	-	-	122
Total	**6,881**	**2,480**	**-**	**-**	**9,360**

Completion schedule - Suspended projects

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Intangible assets under development 2024-25

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	13,892	5,225	4,223	43,191	66,530
Others	-	-	-	-	-
Projects temporarily suspended	15	52	52	3	122
Provision for Impairment	-	-	(170)	(9,000)	(9,170)
Total	**13,907**	**5,277**	**4,105**	**34,194**	**57,482**

Completion schedule - Time or Cost overrun

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
QR SAM	21,684	-	-	-	21,684
ATULYA	9,125	-	-	-	9,125
Development of DJAG system for Jaguar	6,605	-	-	-	6,605
QT model for Sarakshi	1,765	-	-	-	1,765
Shatrughat & Samaghat	1,598	-	-	-	1,598
TEJ System	1,147	-	-	-	1,147
HEMO DIALYSIS MACHINE	843	-	-	-	843
Himsravan	816	-	-	-	816
Photonic ESM Receiver	801	-	-	-	801
Drone Elint	703	-	-	-	703
EA System	362	-	-	-	362
BLI Receiver	361	-	-	-	361
Unified Video and Data Recorder	274	-	-	-	274
Weapon Management Computer (WMC)	-	239	-	-	239
Weapon Interface Computer (WIC)	-	218	-	-	218
PGB 500	117	-	-	-	117
X-Band RF Seeker	-	100	-	-	100
Total	**46,201**	**557**	**-**	**-**	**46,757**

Completion schedule - Suspended projects

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects temporarily suspended	-	122	-	-	122
Total	**-**	**122**	**-**	**-**	**122**

* Includes funding to other development agencies.

i. Refer Note 30 (9) for Contractual Commitments.

ii. Impairment of Assets [Parent company]

An amount ₹ 4,826 (Nil) was provided as impairment loss since development activity is not being continued at present and also as per company's assessment the probability of generating economic benefit was not certain. An amount of ₹ 9,000 (₹ 7,709) was provided during previous years was written off during Current year. (Refer Note 30(7)).

iii. An amount of Nil (₹ 129) chaged off to Statement of profit and Loss.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 6 - Investments

Particulars	As at 31 March 2026	As at 31 March 2025
(I) Investment in Equity Instruments (Unquoted)		
(a) Associates (at Amortised Cost)		
Defence Innovation Organisation, Bengaluru 50 (50) equity shares of INR 1,000 each fully paid	1	1
Electronic Warfare (Defence) Testing Foundation, Chennai 46,960 (46,960) equity shares of INR 1,000 each fully paid	469	469
Communication (Defence) Testing Foundation, Ghaziabad 41,811 (41,811) equity shares of INR 1,000 each fully paid	418	418
UAS Testing Foundation, Kanpur 30,000 (30,000) equity shares of INR 1,000 each fully paid	300	300
(b) Others (at FVOCI) (Refer Note iv below)		
Mana Effluent Treatment Plant Ltd, Hyderabad 500 (500) equity shares of INR 1,000 each fully paid	19	18
(c) Others (at Amortised Cost)		
LENS Foundation, Chennai 1,54,575 (1,54,575) equity shares of INR 100 each fully paid	155	155
(II) Other Investments (Unquoted)		
a) Investments in Co-operative societies (at amortised cost)*		
Cuffe Parade Persopolis Premises Co-operative Society, Mumbai 40 (40) equity shares of INR 50 each fully paid	-	-
Sukh Sagar Premises Co-op. Society, Mumbai 10 (10) equity shares of INR 50 each fully paid	-	-
Shri.Sapta Ratna Co-op. Society Ltd., Mumbai 10 (10) equity shares of INR 50 each fully paid	-	-
Dalamal Park Co-op. Society Ltd., Mumbai 5 (5) equity shares of INR 50 each fully paid	-	-
Chandralok Co-op. Housing Society Ltd., Pune 30 (30) equity shares of INR 50 each fully paid	-	-
b) Others (at FVTPL)		
Life Insurance Corporation of India (Refer Note ii)	61,125	56,800
	62,487	**58,161**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off. The same represents value of share acquired in Housing Societies as per their by-law regulation.

i.

Particulars	2025-26	2024-25
Aggregate value of quoted investments and market value thereof	-	-
Aggregate value of unquoted investments	62,487	58,161
Aggregate amount of impairment in value of investments	-	-

ii. The Parent company has invested its Leave Encashment liabilities in LIC's New Group Leave Encashment Plan.

iii. Refer Note 33 for classification of financial instruments.

iv. a. The parent company have designated investment in equity shares of Mana Effluent Treatment Plant Ltd., Hyderabad at FVOCI because these equity shares represent investments that are intended to be held for long-term for strategic purposes. Fair Value of the Investment based on Net Asset Value Method is given below :

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	Fair value as at 31 March 2026	Dividend income recognised during 2025-26	Fair value as at 31 March 2025	Dividend income recognised during 2024-25
Investment in Mana Effluent Treatment Plant Ltd.	19	-	18	-

b. Parent company has not received any dividend so far on these Investments.

c. No strategic investments were disposed off during 2025-26, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

v. An amount of INR 50,000 [represents absolute figure] has been contributed towards equity capital in M/s Defence Innovation Organisation (DIO) during FY 2018-19. DIO was incorporated on 10 April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company situated in BEL's premises in Bengaluru. An amount of ₹ 5,000 has been provided in the books of account towards contribution to initial corpus fund. As on 31.03.2026, pending for disbursement is Nil.

vi. An amount of ₹ 164 has been contributed towards equity capital in M/s BEL IAI Aerosystem Private Limited (BIAPL) during FY 2024-25. BIAPL was incorporated on 25 September 2024 under the Companies Act, 2013 with an authorised share capital of ₹ 410 (BEL: 40%; IAI: 60%) with an objective to establish Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services.

vii. An amount of ₹ 469 has been contributed towards equity capital in M/s Electronic Warfare (Defence) Testing Foundation (EWDTF) during FY 2024- 25. EWDTF was incorporated on 21 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,175 (BEL: 40%; HAL: 20%, IOL: 20%, BDL : 10%, TIDCO: 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain.

viii. An amount of ₹ 418 has been contributed towards equity capital in M/s Communication (Defence) Testing Foundation (CDTF) during FY 2024-25. CDTF was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,045 (BEL: 40%; HAL: 25%, BEML: 25%, AWEIL: 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain .

ix. An amount of ₹ 300 has been contributed towards equity capital in M/s UAS Testing Foundation (UASTF) during FY 2024-25. UASTF was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (BEL: 20%; HAL: 33.33%, BEML: 20%, YIL: 10%, GIL: 10% and Endure Air: 6.67%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial System (UAS) Domain.

x. An amount of ₹ 155 has been contributed towards equity capital in M/s LENS (Laboratory for Electro-Optical Navigational System) Foundation during FY 2024-25. LENS was incorporated on 15 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (IOL: 35%; AVNL: 35%, BEL: 15%, GSL: 10% and TIDCO: 5%) with an objective of Defence Testing Infrastructure Scheme (DTIS),Laboratory for Electro-Optical Navigational System Domain. However, issued share capital is ₹ 1,031 as on 31.03.2026.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 7 - Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Unsecured, Considered Doubtful		
Trade receivables	3,74,826	2,99,695
Less: Provision*	(3,74,826)	(2,99,695)
Sub Total (A)	**-**	**-**
Current		
Secured, considered good	20	189
Unsecured, considered good	12,87,556	9,11,448
Sub Total (B)	**12,87,576**	**9,11,637**
Total (A+B)	**12,87,576**	**9,11,637**

* Includes provision towards Liquidated Damages.

Non Current Trade Receivable 2025-26

Particulars	Un billed	Billed not due	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	
Undisputed Trade receivable - Doubtful	14,338	64	39,897	30,065	58,634	55,397	1,60,050	3,58,445
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	16,381	16,381
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less Provision	(14,338)	(64)	(39,897)	(30,065)	(58,634)	(55,397)	(1,76,431)	(3,74,826)
Sub Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Current Trade Receivable 2025-26

Particulars	Un billed	Billed not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	3,81,931	5,292	5,67,544	1,12,081	1,45,206	51,251	24,271	12,87,576
(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	-	-	-	-	-	-	-	-
Sub Total (B)	**3,81,931**	**5,292**	**5,67,544**	**1,12,081**	**1,45,206**	**51,251**	**24,271**	**12,87,576**

Non Current Trade Receivable 2024-25

Particulars	Un billed	Billed not due	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	
Undisputed Trade receivable - Doubtful	7,128	168	47,152	18,586	46,483	28,509	1,34,454	2,82,479
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	284	284
(iv) Disputed Trade Receivables - considered doubtful	-	-	15	-	35	1	16,881	16,932
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less Provision	(7,128)	(168)	(47,167)	(18,586)	(46,518)	(28,510)	(1,51,619)	(2,99,695)
Sub Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Current Trade Receivable 2024-25

Particulars	Un billed	Billed not due	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	1,57,968	4,793	4,90,686	79,739	1,08,193	41,809	27,952	9,11,140
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	498	498
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Sub Total (B)	**1,57,968**	**4,793**	**4,90,686**	**79,739**	**1,08,193**	**41,809**	**28,450**	**9,11,637**

i. Payment Terms

a. In majority of contracts, payment (net of advance received, if any) is due on delivery of items. However, in some contracts a portion of dues (Typically 5% to 10%) is linked to satisfaction of further performance obligation like completion of installation and commission activity etc. In respect of turnkey contracts, payment (net of advance, if any) is linked to achievement of specified milestone.

b. Advance including progressive payments received from customer are classified as contract liability and adjusted on completion of related performance obligation.

c. Amount retained by customer in respect of completed Performance obligation, due to linking of payment with completion of other Performance obligations in the contract, is classified as Contract asset. Balance amount receivable is classified as Trade Receivable.

ii. Financial instruments

Refer Note 33 for classification of financial instruments.

iii. Impairment of financial assets

Provisions for impairment has been made in line with Accounting Policy No. 29 of the Group.

iv. Related party disclosure

For Related Party Disclosures refer Note 31.

v. Security, Hypothecation etc

Refer Note 35.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 8 - Loans

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Unsecured, Considered Good		
Loans to employees	826	663
	826	**663**
Unsecured, Considered Doubtful		
Others		
Loans to employees	-	1
Less: Provisions	-	(1)
	-	**-**
Loans to others	132	132
Less: Provisions*	(132)	(132)
	-	**-**
Sub Total (A)	**826**	**663**
Current		
Unsecured, Considered Good		
Others		
Loans to related Parties	-	-
Loans to employees	175	147
Sub Total (B)	**175**	**147**
Total (A+B)	**1,001**	**810**

* includes ₹ 132 (₹ 132) in respect of loans which are credit impaired.

i. Financial Instruments

Refer Note 33 for classification of financial instruments.

ii. Impairment of Financial Assets

Provisions for impairment has been made in line with Accounting Policy No. 29 of the Group.

iii. Security, Hypothecation etc

Refer Note 35.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 9 - Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Unsecured, Considered Good		
Security deposits	2,354	1,789
Interest accrued on term deposits	6	13
Bank deposits with more than 12 months maturity **	119	613
	2,479	**2,415**
Unsecured, Considered Doubtful		
Security deposits	261	119
Less: Provisions	(261)	(119)
	-	**-**
Advance to employees	27	9
Less: Provisions	(27)	(9)
	-	**-**
Advance to others	15	14
Less: Provisions	(15)	(14)
	-	**-**
Receivables other than trade receivables	1,006	1,070
Less: Provisions *	(1,006)	(1,070)
	-	**-**
Other assets	996	576
Less: Provisions	(996)	(576)
	-	**-**
Sub Total (A)	**2,479**	**2,415**
Current		
Unsecured, Considered Good		
Security deposits	2,068	2,483
Advance to employees	192	165
Advance to others	3	5
Interest accrued but not due on term deposits	4,635	9,939
Receivables other than trade receivables	1,021	1,333
Other assets	8,085	10,208
Sub Total (B)	**16,004**	**24,133**
Total (A+B)	**18,483**	**26,548**

* Refer Note 30(19).

** An amount of Nil (₹ 197) held as margin money against bank guarantee. [Parent Company]

i. Financial Instruments

Refer Note 33 for classification of financial instruments.

ii. Impairment of Financial Assets

Provisions for impairment has been made in line with Accounting Policy No. 29 of the group.

iii. Net carrying amount of Nil (Nil) has been added in other assets with respect to Property, Plant and Equipment not in active use and pending for disposal.

iv. Security, Hypothecation etc

Refer Note 35.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 10 - Deferred tax assets / liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax assets (net)		
Deferred tax assets	90,403	74,870
Deferred tax liabilities	(31,656)	(21,386)
	58,747	**53,484**
Deferred tax liabilities (net)		
Deferred tax liabilities	2,335	2,239
Deferred tax assets	(1,260)	(1,287)
	1,075	**952**

i. Income Tax recognised in Statement of Profit or Loss

Sl. No	Particulars	As at 31 March 2026	As at 31 March 2025
1	Income Tax Expenses:		
	- Current period	2,06,443	1,76,775
	- Changes in estimates related to prior years	(3)	260
2	**Deferred tax:**		
	- Origination and reversal of temporary differences	(3,491)	4,150
3	**Total deferred tax expense/(benefit)**	**(3,491)**	**4,150**
4	**Income tax expenses**	**2,02,949**	**1,81,185**

ii. Income Tax recognised in other comprehensive income (Excluding share in OCI of associate)

Sl. No	Particulars	As at 31 March 2026			As at 31 March 2025		
		Before Tax	Tax (expense)/ benefit	Net of Tax	Before Tax	Tax (expense)/ benefit	Net of Tax
1	Remeasurement of the net defined benefit liability/(asset)	4,766	(1,201)	3,565	968	(238)	730
2	Equity instruments through other comprehensive income	1	-	1	2	(1)	1
	Total	**4,767**	**(1,201)**	**3,566**	**970**	**(239)**	**731**

iii. Income Tax recognised directly in Equity

There are no income tax recognised directly in equity for the year ended 31 March 2026 & 31 March 2025.

Consolidated Notes to Accounts

(₹ in lakhs)

iv. Reconciliation of Effective Tax Rates

Particulars	As at 31 March 2026		As at 31 March 2025	
	Rate	Amount	Rate	Amount
Profit Before Tax		**8,05,296**		**7,09,900**
Tax using the company's Domestic Tax Rate	25.17%	2,02,677	25.17%	1,78,668
Effect of				
Additional deduction on Research & Development Expenses		-		-
Exempt Income		-		-
Tax Incentives		-		-
Changes in estimates related to previous years	0.00%	(3)	0.04%	260
Non-deductable Expenses	0.44%	3,548	0.74%	5,220
Impact on change in Tax Rate	0.00%	-	-	-
Others	-0.41%	(3,273)	-0.41%	(2,963)
Effective Tax rate	25.20%	2,02,949	25.54%	1,81,185

v. Deferred Tax (Assets) and Liabilities are attributable to the following:

Sl. No	Particulars	Deferred Tax (Assets) as at		Deferred Tax Liability as at		Net Deferred Tax (Assets)/ Liability as at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
1	Trade Receivables	(19,749)	(12,886)	-	-	(19,749)	(12,886)
2	Inventory	(13,050)	(15,492)	-	-	(13,050)	(15,492)
3	Provision others	(32,533)	(21,910)	-	-	(32,533)	(21,910)
4	Employee Benefits	(21,351)	(19,630)	-	-	(21,351)	(19,630)
5	Other Intangible Assets	-	-	13,192	1,642	13,192	1,642
6	Deferred Revenue	-	(22)	-	-	-	(22)
7	Other Assets	-	-	-	-	-	-
8	Property, Plant and Equipment	-	-	20,795	18,348	20,795	18,348
9	ICDS Adjustment	-	-	-	-	-	-
10	Equity Investments	-	-	4	4	4	4
11	Other Financial Liabilities	-	-	-	8	-	8
12	Provision for Impairment	(4,064)	(5,348)	-	-	(4,064)	(5,348)
13	Intangible Assets under development	-	-	-	3,708	-	3,708
14	Trade Payables	(6)	(6)	-	-	(6)	(6)
15	Income Tax loss		2	-	-	-	2
16	Bonus	-	-	-	-	-	-
17	Superannuation	-	-	-	-	-	-
18	MAT Credit	(910)	(950)	-	-	(910)	(950)
19	**Total**	**(91,663)**	**(76,242)**	**33,991**	**23,710**	**(57,672)**	**(52,532)**
20	Set off of (Asset)/Liability	32,916	22,758	(32,916)	(22,758)	-	-
	Net Deferred Tax (Asset)/Liability	**(58,747)**	**(53,484)**	**1,075**	**952**	**(57,672)**	**(52,532)**

Consolidated Notes to Accounts

(₹ in lakhs)

vi. Movement of Deferred Tax (Assets) & Liabilities

Sl. No	Particulars	Balance as on 01.04.2025	Recognised in P&L during 2025-26	Recognised in OCI during 2025-26	Balance as on 31.03.2026
1	Trade Receivables	(12,886)	(6,863)	-	(19,749)
2	Inventory	(15,492)	2,442	-	(13,050)
3	Provision others	(21,910)	(10,623)	-	(32,533)
4	Employee Benefits	(19,630)	(31)	(1,690)	(21,351)
5	Other Intangible Assets	1,642	11,550	-	13,192
6	Deferred Revenue	(22)	22	-	-
7	Other Assets	-	-	-	-
8	Property, Plant and Equipment	18,348	2,447	-	20,795
9	ICDS Adjustment	-	-	-	-
10	Equity Investments	4	-	-	4
11	Other Financial Liabilities	8	(8)	-	-
12	Provision for Impairment	(5,348)	1,284	-	(4,064)
13	Intangible Assets under development	3,708	(3,708)	-	-
14	Trade Payables	(6)	-	-	(6)
15	Income Tax Loss	2	(2)	-	-
16	Bonus	-	-	-	-
17	Superannuation	-	-	-	-
18	MAT Credit	(950)	40	-	(910)
	Total	**(52,532)**	**(3,450)**	**(1,690)**	**(57,672)**

Note: In respect of subsidiary BELOP, MAT Credit availed during the year is Nil (Nil) related to earlier year. MAT Credit utilised during the year is ₹ 40.

vii. Movement of Deferred Tax Assets & Liabilities

Sl. No	Particulars	Balance as on 01.04.2024	Recognised in P&L during 2024-25	Recognised in OCI during 2024-25	Balance as on 31.03.2025
1	Trade Receivables	(11,351)	(1,535)	-	(12,886)
2	Inventory	(16,701)	1,209	-	(15,492)
3	Provision others	(23,913)	2,003	-	(21,910)
4	Employee Benefits	(18,185)	(1,683)	238	(19,630)
5	Other Intangible Assets	1,477	165	-	1,642
6	Deferred Revenue	(22)	-	-	(22)
7	Other Assets	-	-	-	-
8	Property, Plant and Equipment	16,732	1,616	-	18,348
9	ICDS Adjustment	-	-	-	-
10	Equity Investments	3	-	1	4
11	Other Financial Liabilities	8	-	-	8
12	Provision for Impairment	(7,602)	2,254	-	(5,348)
13	Intangible Assets under development	3,708	-	-	3,708
14	Trade Payables	(6)	-	-	(6)
15	Income Tax Loss	(281)	283	-	2
16	Bonus	-	-	-	-
17	Superannuation	-	-	-	-
18	MAT Credit	(788)	(162)	-	(950)
	Total	**(56,921)**	**4,150**	**239**	**(52,532)**

viii. The tax rate used for reconciliation is the corporate tax rate of 25.168% (25.168%) payable by corporate entities on taxable profits under Income Tax Act, 1961. Parent Company (from FY 2020-2021) and BEL-Thales Systems Ltd (from FY 2022-2023) has opted for lower tax rate under section 115 BAA of Income Tax Act, 1961 inserted vide Taxation law (Amendment) Act, 2019.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 11 - Inventories

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Raw Materials & Components	51,483	61,794
Add: Raw Materials & Components in Transit	72	64
Less: Provisions	(51,555)	(61,858)
	-	-
Stock in Trade	539	8
Less: Provisions	(539)	(8)
	-	-
Stores & Spares	288	202
Less: Provisions	(288)	(202)
	-	-
Loose Tools	57	65
Less: Provisions	(57)	(65)
	-	-
Sub Total (A)	-	-
Current		
Raw Materials & Components	5,52,097	5,15,816
Add: Raw Materials & Components in Transit	28,812	18,347
	5,80,909	**5,34,163**
Work In Progress	3,76,279	3,37,185
Finished Goods	39,765	29,099
Add: Finished Goods in Transit	15,160	5,316
	54,925	**34,415**
Stock in Trade	527	1,119
Add: Stock in Trade in Transit	128	322
	655	**1,441**
Stores & Spares	2,973	3,053
Add: Stores & Spares in Transit	-	6
	2,973	**3,059**
Loose Tools	1,346	1,251
Add: Loose Tools in Transit	-	2
	1,346	**1,253**
Disposable Scrap	508	505
	10,17,595	**9,12,021**
Unrealised profit on unsold inventory	(42)	(123)
Sub Total (B)	**10,17,553**	**9,11,898**
Total (A+B)	**10,17,553**	**9,11,898**

Consolidated Notes to Accounts

(₹ in lakhs)

i. Raw Materials and Components include ₹ 24,872 (₹ 15,765) being materials with sub-contractors, out of which ₹ 404 (₹ 85) of materials is subject to confirmation and reconciliation. Against ₹ 404 (₹ 85), an amount of ₹ 19 (₹ 84) has been provided for.

ii. Raw Material and Components (RMC) Stock verification discrepancies for the year are as follows :

Shortages of ₹ 1,377 (₹ 3,263) and surplus of ₹ 423 (₹ 587). Pending reconciliation, an amount of ₹ 340 (₹ 2,630) has been provided for.

iii. Valuation of Inventories has been made as per Group's Accounting Policy No. 17.

iv. a. The United Nations Climate Change Secretariat has granted 15,856 (15,856) TON CO2EQ carbon credit for the 2.5 MW BEL Grid Connected Wind Power Project Davangere District, Karnataka for the verification period from 05.11.2007 to 31.03.2012 (05.11.2007 to 31.03.2009). The carbon credits are included under Finished Goods at a value of ₹ 2 (₹ 2). The CER is valued at cost as required by Guidance Note on CER issued by ICAI.

b. CER under Certification: Nil (Nil) CERs.

c. Depreciation & Operation Cost of Emission Reduction Equipments during the year :

Sl No.	Particulars	2025-26	2024-25
i.	Depreciation	313	305
ii.	Operation Cost of Emission Reduction Equipments	98	240
	Total	**411**	**545**

v. Security, Hypothecation etc

Refer Note 35.

vi. Amount recognised in Statement of Profit & Loss

Write-down of inventories (including stock verification discrepancies) to net realisable value amounted to ₹ 3,076 (₹ 1,282) has been recognised in the statement of profit and loss for Work in progress and Finished goods.

vii. Reversal of write down of inventories (including stock verification discrepancies) of ₹ 228 (₹1,146) has been made during the year, which were recognised as an expenses in the previous year for Work in progress and Finished goods.

viii. Impairment of Assets

Provisions for inventory has been made in line with Accounting Policy No. 17 of the Group.

ix. Inventory includes ₹ 13,948 (₹ 5,884) which are located physically at Customer Premises.

x. The Parent company has received / retained the assets of the customer as per the contractual terms and those do not form part of the inventory.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 12 - Other assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Capital advances	1,184	1,294
Advances other than Capital advances		
Advances for purchase	274	444
Less: Provisions	(274)	(444)
	-	-
Contract asset	44,147	59,338
Less: Provisions	(44,147)	(59,338)
	-	-
Others		
Balances with customs, port trust and other government authorities	800	900
Less: Provisions	(743)	(843)
	57	**57**
Prepaid expenses	38	77
Claims receivable purchases	701	930
Less: Provisions	(701)	(930)
	-	-
Contract costs	19,595	18,010
Less: Provisions	(2)	(2)
	19,593	**18,008**
Others - Assets	-	8
Less: Provisions	-	(8)
	-	-
Sub Total (A)	**20,872**	**19,436**
Current		
Advances other than Capital advances		
Advances to employees	546	432
Advances for purchase	1,01,994	1,00,558
Contract asset	3,97,375	4,47,020
Others		
Balances with customs, port trust and other government authorities	80,193	60,973
Prepaid expenses	987	1,227
Prepaid taxes	4,676	2,943
Claims receivable purchases	4,072	5,651
Contract costs	8,658	28,597
Others - Assets	541	700
Sub Total (B)	**5,99,042**	**6,48,101**
Total (A+B)	**6,19,914**	**6,67,537**

Consolidated Notes to Accounts

(₹ in lakhs)

i. Impairment of Assets

Provisions for impairment of non financial assets has been made in line with accounting policy No. 13 of the group.

ii. Impairment of contract asset

Impairment of contract asset charged during the year ₹ 5,196 (₹ 17,027).

iii. Amortisation and impairment of contract costs

Amortisation of contract costs determined based on the period of benefit expected from the contract cost is ₹ 36,961 (₹ 20,139). Impairment of contract costs recognised is Nil (Nil).

iv. Closing balance of contract costs represents, cost to obtain the contract from customer ₹ 12,922 (₹ 281) and cost to fulfill the contract is ₹ 15,329 (₹ 46,324).

v. Security, Hypothecation etc

Refer Note 35.

Note 13 - Cash & cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balance with banks	43,674	48,473
Cash on hand	-	1
Term deposits	1,45,122	22,871
	1,88,796	**71,345**

i. Cash and cash equivalents includes Term Deposits with original maturity period up to three months. Term Deposits with original maturity period beyond Three months upto Twelve months have been included in Bank balances (Refer Note 14) and Term Deposits with maturity period beyond Twelve months have been included in Other financial assets (Refer Note 9).

ii. Refer Note 33 for classification of financial instruments.

iii. There are no repatriation restriction with regard to Cash and cash equivalents.

iv. Security, Hypothecation etc

Refer Note 35.

v. Balance with banks include: Pursuant to Stay Order received from the Excise and Taxation Department Gurugram (South), bank authorities have held ₹ 21 (Nil) based on the Garnishee order issued by the Excise and Taxation Officer, Gurugram. [Parent Company]

vi. Balance with banks include: Pursuant to Stay Order received from the Police Station Chandigarh, bank authorities have held ₹ 363 (Nil) based on the Garnishee order issued by the Station House Officer, Chandigarh. [Parent Company]

Consolidated Notes to Accounts

(₹ in lakhs)

Note 14 - Bank balances [other than (ii) above]

Particulars	As at 31 March 2026	As at 31 March 2025
Term deposits **	6,61,571	8,78,203
Unpaid dividend account *	6,836	4,962
	6,68,407	**8,83,165**

* Includes ₹ 6,403 (₹ 4,606) of tax withheld on distribution of dividend. [Parent company]

** An amount of ₹ 6,338 held as margin money against bank guarantee. [Parent Company]

i. Refer Note 33 for classification of financial instruments.

ii. There are no repatriation restrictions with regard to bank balances.

iii. Security, Hypothecation etc

Refer Note 35.

Note 15 - Current tax assets / liability

Particulars	As at 31 March 2026	As at 31 March 2025
Current tax assets (net)		
Advance payment of income tax	28,134	35,362
	28,134	**35,362**
Current tax liability (net)		
Provision for taxation	-	-
	-	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Note 16

a. Equity share capital

	Particulars	As at 31 March 2026	As at 31 March 2025
i.	**Authorised capital**		
	750,00,00,000 (750,00,00,000) Equity Shares of INR 1 (INR 1) each	75,000	75,000
ii.	**Issued, subscribed & fully paid-up capital**		
	730,97,78,829 (730,97,78,829) Equity Shares of INR 1 (INR 1) each	73,098	73,098

iii. Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the reporting period	7,30,97,78,829	73,098	7,30,97,78,829	73,098
Add: Shares issued during the year	-	-	-	-
Less: Shares Bought Back during the year	-	-	-	-
Shares outstanding at the end of the reporting period	**7,30,97,78,829**	**73,098**	**7,30,97,78,829**	**73,098**

iv. Shares in the company held by each shareholder holding more than 5%

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Government of India	3,73,79,21,934	51.14%	3,73,79,21,934	51.14%

v. Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the previous 5 years.

Equity shares allotted as fully paid up by way of bonus shares

Year	2021-22	2022-23	2023-24	2024-25	2025-26
No. of shares	-	4,87,31,85,886	-	-	-

vi. Aggregate number and class of shares bought back during the previous 5 years.

Equity shares bought back

Year	2021-22	2022-23	2023-24	2024-25	2025-26
No. of shares	-	-	-	-	-

	Particulars	As at 31 March 2026	As at 31 March 2025
vii.	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.	Nil	Nil
viii.	The aggregate value of calls unpaid (including Directors and Officers of Company)	Nil	Nil
ix.	Shares forfeited	Nil	Nil

Consolidated Notes to Accounts

(₹ in lakhs)

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

a) The parent 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 Parent company.

d) On winding up of the parent company, the equity shareholders will be entitled to get the realised value of the remaining assets of the Parent 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.

xi Interim Dividend and Final Dividend

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Final dividend for FY 2024-25 and FY 2023-24 respectively.	65,788	58,478
Interim dividend for FY 2025-26 and FY 2024-25 respectively.	1,42,541	1,09,647

xii. Government of India being the Promoter holding 51.14% (51.14%) of Shares as on 31.03.2026. No. of Equity Shares held as on Balance Sheet date is 373,79,21,934 (373,79,21,934).

b. Nature and purpose of Reserves

i. Capital Reserve

Capital Reserve is created by transfer from Retained earnings an amount equal to capital profit earned by the Parent company. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

ii. Capital Redemption Reserve

Capital Redemption Reserve is created by transfer from General Reserve an amount equal to face value of the Shares bought back. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

iii. Equity Investment through Other Comprehensive Income (OCI)

The parent company has elected to recognise changes in fair value of certain equity investments in other comprehensive income. The change in fair value is accumulated in this reserve. If and when the investment is derecognised the accumulated amount will be transferred to Retained earnings.

iv. Other Comprehensive Income (OCI)

Other comprehensive income are those gains or losses which are not yet realised and excluded from the statement of profit and loss. It mainly consists of remeasurement of the net defined benefit liability / asset (net of tax).

Consolidated Notes to Accounts

(₹ in lakhs)

Note 17 - Deferred income

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Government grants - deferred	9,130	10,155
Sub Total (A)	**9,130**	**10,155**
Current		
Government grants - deferred	1,681	1,618
Sub Total (B)	**1,681**	**1,618**
Total (A+B)	**10,811**	**11,773**

i. Refer Accounting Policy No. 16 for method of presentation.

Particulars	As at 31 March 2026	As at 31 March 2025
ii. Nature of utilisation of government grant		
a) Revenue Expenditure	-	-
b) Capital Expenditure		
- Property, Plant and Equipment	10,811	11,773
iii. Other forms of government assistance that has directly benefited the company	-	-
iv. Details of unfulfilled conditions attached to government grant	-	-
v. Contigencies attached to government grant	-	-

vi. The above grants received represents viability gap funding towards solar power plants, assistance towards roof top solar sytems. [Parent company].

vii. In case of Subsidiary company [BELOP]

Subsidiary company 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 2025-26 towards ToT has been transferred to income in the Statement of Profit and Loss and correspnding expenses is debited to Statement of Profit and Loss.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 18 -Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Secured		
Term loan from banks	-	-
Sub Total (A)	**-**	**-**
Current		
Secured		
Term Loan from banks	-	-
Sub Total (B)	**-**	**-**
Total (A+B)	**-**	**-**

i. The monthly statements of current assets have been filed by the Company and they are in agreement with the books of accounts.

Note 19 - Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
- Others	-	-
Sub Total (A)	**-**	**-**
Current		
- Dues to micro & small enterprises	21,373	17,777
- Others	3,36,967	3,16,100
Sub Total (B)	**3,58,340**	**3,33,877**
Total (A+B)	**3,58,340**	**3,33,877**

Non Current Trade Payable 2025-26

Particulars	Unbilled	Billed not due	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	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Consolidated Notes to Accounts

(₹ in lakhs)

Current Trade Payable 2025-26

Particulars	Unbilled	Billed not due	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	5,194	15,644	298	32	45	2	21,215
(ii) Others *	46,275	1,84,051	86,721	15,593	2,331	1,741	3,36,712
(iii) Disputed dues - MSME	-	158	-	-	-	-	158
(iv) Disputed dues - Others	-	203	-	-	-	52	255
Total	**51,469**	**2,00,056**	**87,019**	**15,625**	**2,376**	**1,795**	**3,58,340**

* Others includes dues outstanding to Medium Vendors.

Non Current Trade Payable 2024-25

Particulars	Unbilled	Billed not due	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	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Current Trade Payable 2024-25

Particulars	Unbilled	Billed not due	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	3,179	9,180	5,187	72	-	2	17,619
(ii) Others *	39,003	1,51,270	1,11,022	6,986	3,939	3,626	3,15,845
(iii) Disputed dues - MSME	-	158	-	-	-	-	158
(iv) Disputed dues - Others	-	203	-	-	-	52	255
Total	**42,182**	**1,60,811**	**1,16,209**	**7,058**	**3,939**	**3,680**	**3,33,877**

* Others includes dues outstanding to Medium Vendors.

i. The information regarding dues to Micro and Small Enterprises as required under Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 as on 31 March 2026 is furnished below:

Particulars	2025-26	2024-25
a. The principal and the interest due thereon remaining unpaid as at 31 March:		
Principal *	23,675	18,944
Interest	7	19
b. The interest paid by the company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31 March:		
Principal	-	-
Interest	14	22
c. The interest reversed by the company during the year ended 31 March	3	5

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	2025-26	2024-25
d. Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act **	-	-
e. Interest accrued and remaining unpaid at the end of the year ending 31 March.	7	19
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	2	2

* Includes amount shown under Note 20.

**Also includes Interest due and payable for principals already paid Nil (Nil) and INR 22,111 (INR 22,111) [represents absolute figure] as on 31.03.2026 is rounded off [BELOP].

ii. The information has been given in respect of such suppliers to the extent they could be identified as Micro & Small Enterprises on the basis of information available with the Group and have been relied upon by the Auditors.

iii. Financial Instruments

Refer Note 33 for classification of financial instruments.

iv. The group's exposure to currency and liquidity risk related to Trade Payables is disclosed at Note 34.

Note 20 - Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Security deposits including retention money	2,232	1,457
Sub Total (A)	**2,232**	**1,457**
Current		
Security deposits including retention money	51,628	43,680
Interest accrued and due on trade payables[1]	7	19
Non trade payables - Others *	10,120	10,615
Unpaid matured deposits	37	37
Unpaid dividend	433	356
Non trade payables dues to micro & small enterprises[1]	2,302	1,167
Outstanding expenses	91,673	79,158
Other liabilities	1,899	1,800
Sub Total (B)	**1,58,099**	**1,36,832**
Total (A+B)	**1,60,331**	**1,38,289**
Amount to be transferred to the Investor Education & Protection Fund as at Balance Sheet date.	Nil	Nil

[1]Refer Note (19).

*Includes amounts payable relating to Capital items.

** Includes provision towards unspent CSR Expenditure of ₹ 12,964 (₹ 9,532). [Parent Company]

i. Financial instruments

Refer Note 33 for classification of financial instruments.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 21 - Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Employee Benefits		
Gratuity	16	15
Long-term compensated absences	51,963	52,240
BEL retired employees' contributory health scheme (BERECHS)	-	-
Provident fund interest obligation	10,172	3,458
Others		
Provision for onerous contracts	12,305	376
Provision for performance warranty	31,380	31,634
Provision for Site restoration obligation	2,547	2,493
Sub Total (A)	**1,08,383**	**90,216**
Current		
Employee Benefits		
Gratuity	6,435	2,283
Long-term compensated absences	7,406	7,271
BEL retired employees' contributory health scheme (BERECHS)	8,686	12,756
Provident fund interest obligation	2,135	2,182
Management Contribution to Superannuation (Pension) scheme	54	103
Annual incentive	117	444
Others		
Provision for onerous contracts	9,078	5,476
Provision for performance warranty	51,536	43,456
Sub Total (B)	**85,447**	**73,971**
Total (A+B)	**1,93,830**	**1,64,187**

i. Movement of provisions for the year ended 2025-26

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	75,090	5,852	2,493
Additional provision recognised during the year	48,149	18,948	54
Amount used during the year (refer note vi below)	125	-	-
Unused amount reversed during the year	40,198	3,417	-
As at 31 March	**82,916**	**21,383**	**2,547**

Movement of provisions for the year ended 2024-25

Particulars	Performance Warranty	Onerous Contract	Site Restoration Obligation
As at 1 April	80,299	8,778	2,448
Additional provision recognised during the year	32,046	3,642	45
Amount used during the year (refer note vi below)	24	-	-
Unused amount reversed during the year	37,231	6,568	-
As at 31 March	**75,090**	**5,852**	**2,493**

Consolidated Notes to Accounts

(₹ in lakhs)

ii. Provision for Warranties - as per Accounting Policy No. 19 of the Group.

Provision for warranties is made in respect of products whose normal warranty period is outstanding. As the warranty provision period varies from product to product, provision is made at Strategic Business Unit (SBU) level based on average period of warranty period. Provision is made based on trend based estimate of the likely expenses to be incurred. The provision is measured at the present value of the estimated cost of Warranty.

iii. Provision for Site restoration - as per Accounting Policy No. 22 of the Group.

In accordance with the terms and conditions of the Lease agreement entered into with Lessor, the parent company is required to return the land in its original condition. Accordingly, provision in respect of Site restoration obligation has been made. The provision required is reviewed and required adjustment made at each year end.

The provision is measured at the present value of the best estimate of the cost of restoration.

iv. Provision for Onerous contracts - as per Accounting Policy No. 22 of the Group.

In respect of certain contracts entered into by the parent company, it is expected that the likely cost to complete the contract would exceed the Revenue received / receivable against the contract. In such cases, provision in respect of the expected losses has been made. The provision required is reviewed and required adjustment made at each year end. The provision is measured at the present value of the best estimate of loss likely to be incurred.

v. Performance warranty obligation in respect of sales where back to back warranty of vendor is available, potential liability, if any, in the event of default of vendor is not asertainable and not expected to be significant.

vi. An amount of ₹ 18,932 (₹ 13,622) has been debited against Natural Code Heads wrt Warranty Cost.

(A). POST EMPLOYMENT BENEFIT OBLIGATION

(i). GRATUITY :

The Company provides gratuity to employees in India as per payment of Gratuity Act, 1972. The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year, the Company remits fund to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay gratuity to an employee at the rate of fifteen days salary based on the last drawn basic & dearness allowance.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation :

Particulars	2025-26	2024-25
i) **Change in Present Value of Obligations :**		
Present Value of Obligation as at the beginning of the year	69,146	69,932
Current Service Cost	1748	1,400
Interest Cost	4378	4,599
Past Service Cost	10,173	-
Benefits paid	(7,998)	(7,894)
Actuarial (gains) / Losses recognised in other comprehensive income		
Changes in financial assumptions on planned liability - loss / (gains)	(5,488)	1,437

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	2025-26	2024-25
Experience adjustments on planned liability - loss / (gains)	625	(328)
Present Value of Obligation as at the end of the period	72,584	69,146
ii) Change in Fair Value of plan assets :		
Fair value of plan assets at the beginning of the year	67,047	67,802
Expected return on plan assets	4307	4,525
Contributions	2099	2,130
Benefits paid	(7,998)	(7,894)
Actuarial gain / (loss) on Plan Assets recognised in other comprehensive income	643	484
Fair value of plan assets as at the end of the period	66,098	67,047
Defined benefit (Asset) / liability	6,486	2,099
Effects of asset ceiling - As at the beginning of the year	-	-
Effects of asset ceiling - As at the end of the year	-	-
Net defined benefit (asset) / liability	6,486	2,099
iii) Expenses Recognised in the Statement of Profit & Loss :		
Current Service cost	1,748	1,400
Net Interest on Net Defined Benefit Obligations	71	75
Past service cost	10,173	-
Expenses recognised in the statement of profit and loss	11,992	1,475
iv) Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :		
Actuarial (gain)/loss on Plan Obligations	(4,863)	1,109
Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	(643)	(484)
Effect of Balance Sheet Asset limit		
Amounts recognised in the statement of Other Comprehensive Income	(5,506)	625
v) Amounts recognised in Balance Sheet :		
Present Value of Obligation as at the end of the period	72,584	69,146
Fair Value of Plan Assets at the end of the period	66,098	67,047
Funded Status [(Surplus) / Deficit]	6,486	2,099
Effects of asset ceiling - As at the beginning of the year	-	-
Effects of asset ceiling - As at the end of the year	-	-
Liability / (Asset) for the year as on 31 March as per Balance Sheet	6,486	2,099
vi) Plan Assets		
Categories of Plan Assets are as follows :		
State Govt. Securities	-	-
Govt. of India Securities	-	-
High Quality Corporate Bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Investment with Insurer	99.99%	99.99%
Others (Bank balance)	0.01%	0.01%

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	2025-26	2024-25
vii) Actuarial Assumptions :		
Discount Rate	7.60%	6.72%
Rate of increase in compensation level	7.00%	7.00%
Expected rate of Return on Plan Assets	7.60%	6.72%
Estimated Average Future working life	16.70	15.20
viii) Best Estimate of Contribution to be paid :		
The best estimate of contribution to be paid towards Gratuity during the annual period beginning after the Balance Sheet is ₹ 6486 (₹ 2099).		
ix) Sensitivity Analysis :		
Discount Rate (0.50% movement)increase	8.10%	7.22%
Increase/(decrease) in defined benefit Obligation as at the end of the period	(2,950)	(2,819)
Discount Rate (0.50% movement)decrease	7.10%	6.22%
Increase/(decrease) defined benefit Obligation as at the end of the period	3,201	3,056
Salary Escalation Rate (0.50% movement)increase	7.50%	7.50%
Increase/(decrease) defined benefit Obligation as at the end of the period	1,041	633
Salary Escalation Rate (0.50% movement)decrease	6.50%	6.50%
Increase/(decrease) defined benefit Obligation as at the end of the period	(1,081)	(672)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year

iii. Maturity profile of the Gratuity defined benefit obligation is given below:

Year	As at 31 March 2026	As at 31 March 2025
Year 1	5,003	4,657
Year 2	13,417	12,477
Year 3	8,740	7,543
Year 4	7,390	7,477
Year 5	6,025	6,344
Next 5 years	23,413	21,090

(i) Gratuity (In respect of Subsidiary Company BELOP)

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 ₹76 (₹ 51).

ii) Actuarial gains and losses in respect of defined benefit plans recognised in the statement Other Comprehensive Income is ₹ 127 (₹ 133).

Consolidated Notes to Accounts

(₹ in 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.

	Particulars	2025-26	2024-25
A	**Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :**		
1	Present Value of Defined Benefit Obligation at the Beginning of the period	1,524	1,284
2	Interest Cost	103	92
3	Current Service Cost	54	49
4	Past Service Cost	9	-
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)	(26)	(21)
11	The Effect of Changes in Foreign Exchange Rates	-	-
12	Actuarial (gains) / losses on obligations -Due to Change in Demographic Assumptions	-	-
13	Actuarial (gains) / losses on obligations- Due to Change in Financial Assumptions	(33)	50
14	Actuarial (gains) / losses on obligations- Due to Experience	(69)	70
15	Present value of Defined Benefit Obligation as on Balance Sheet date	1,562	1,524
B	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :**		
1	Fair value of Plan assets at the Beginning of the period	1,341	1,269
2	Interest Income	90	91
3	Actual contributions by Employers	184	15
4	Expected contributions by Employees	-	-
5	Assets Transferred In/ Acquisitions	-	-
6	(Assets Transferred Out / Divestment)	-	-
7	(Benefit Paid From the Fund)	(26)	(21)
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	24	(13)
12	Fair value of Plan assets at the End of the Period	1,613	1,341
C	**Amount Recognised in the Balance Sheet**		
1	Present value of Plan assets at the end of the period	(1,562)	(1,524)
2	Fair Value of Plan assets at the end of the year	1,613	1,341
3	Funded Status [Surplus/(Deficit)]	51	(183)
4	Net Asset/(Liability) recognised in the Balance Sheet	51	(183)

Consolidated Notes to Accounts

(₹ in lakhs)

	Particulars	2025-26	2024-25
D	**Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognised in the Balance Sheet :**		
1	Present Value of Defined Benefit Obligation at the end of the period	(1,562)	(1,524)
2	Fair value of plan assets at the end of the period	1,613	1,341
3	Funded status [Surplus/(Deficit)]	51	(183)
4	Unrecognised Past Service Costs	-	-
5	Net asset/(Liability) recognised in Balance Sheet	51	(183)
E	**Expenses Recognised in the Statement of Profit or Loss for current Period**		
1	Current Service cost	54	49
2	Interest cost	13	2
3	Past Service cost	9	-
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	76	52
F	**Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period**		
1	Actuarial (Gains)/Losses on the Obligation for the period	(103)	120
2	Return Plan Assets, Excluding Interest Income	(24)	13
3	Change in Asset Ceiling	-	-
4	Net (Income)/Expenses for the Period Recognised in OCI	(127)	133

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

H Principal Actuarial Assumptions :

	Particulars	As at 31 March 2026	As at 31 March 2025
1	Discount Rate (%)	7.06%	6.73%
2	Expected Return on plan assets (%)	7.06%	6.73%
3	Salary Escalation (%)	10.50%	10.50%
4	Rate of Employee Turnover	2.00%	2.00%

a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) **Expected Rate of Return of Plan Assets :** This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.

c) **Salary Escalation Rate :** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Consolidated Notes to Accounts

(₹ in lakhs)

I Sensitivity Analysis

Year		As at 1 March 2026	As at 31 March 2025
Projected Benefit Obligation on Current Assumptions		1,562	1,524
1	Delta Effect +1% Change in Rate of Discounting	(94)	(104)
2	Delta Effect -1% Change in Rate of Discounting	105	116
3	Delta Effect +1% Change in Rate of salary increase	100	111
4	Delta Effect -1% Change in Rate of salary increase	(92)	(101)
5	Delta Effect +1% Change in Rate of Employee Turnover	(16)	(21)
6	Delta Effect -1% Change in Rate of Employee Turnover	(1,557)	23

J Investment of Gratuity Fund is with Insurance Company.

Defined Contribution Plans (In respect of Subsidiary Company -BEL-THALES Systems Limited)

The employees in the company are on deputation from the holding company "M/s. Bharat Electronics Limited" & related party "Thales India Private Limited" and employees of BEL - Thales Systems Limited. As per the deputation orders of respective Companies the following contributions at specified percentages of employee salaries (refer Note No.23) remitted periodically to the Holding Company & Thales India Private Limited:

a) Contribution to Provident Fund

b) Employee Superannuation Fund

c) Gratuity

d) Employees' Leave Benefits

The contributions are charged to Statement of profit and Loss as they accrue (Please refer current service cost under the head Employee benefit expenses in Note no.14).

The Company has a defined benefit gratuity plan (unfunded) for employees of BEL - Thales Systems Limited.

(i) Gratuity

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Contribution to Provident Fund included under contribution to provident and other funds.	43.33	44.80
	43.33	**44.80**

Defined Benefit Plans

(i) Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date. As at March 31, 2026 the Gratuity plan of the company is unfunded and no assets are maintained by the company and asset values are taken as zero; there is liquidity risk in that they may run out of cash.

These plans typically expose the company to actuarial risks such as: Interest rate risk, Liquidity risk, Salary escalation risk, demographic Risk and Regulatory risk.

Consolidated Notes to Accounts

(₹ in lakhs)

Interest rate risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
Liquidity risk	This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act,1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20).

Actuarial Valuation Method:

The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost.

Particulars	As at 31 March 2026	As at 31 March 2025
Net Employee benefit expense recognised in the employee cost in statement of profit & loss account		
Current service cost	5.08	2.78
Interest cost on benefit obligation	1.02	0.62
Past Service Cost	-	-
Expected return on plan assets	-	-
Sub Total	**6.10**	**3.40**
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognised in the year on plan obligations	(5.06)	2.66
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Effect of Balance Sheet asset limit	-	-
Sub Total	**1.04**	**6.06**
Net benefit expense recognised in Statement of Profit & Loss		
Balance Sheet		
Benefit asset / liability		
Present value of defined benefit obligation	15.88	14.84
Fair value of plan assets	-	-
Assets / (Liability) recognised in the balance sheet	**15.88**	**14.84**
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	14.84	8.78
Interest Cost	1.02	0.62
Current Service Cost	5.08	2.78
Actuarial (gain)/loss on obligation	(5.06)	2.66
Acquisition Adjustments	-	-
Present Value of defined Benefit Obligation at the end of the period	**15.88**	**14.84**
Current Liability (Short term)	0.16	0.13
Non-Current Liability (Long term)	15.73	14.71
Present Value of Obligation	**15.89**	**14.84**

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Change in the fair value of plan assets		
Opening fair value of plan assets	-	-
Contributions by employer	-	-
Investment Income	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expenses	-	-
Closing fair value of plan assets	**-**	**-**
Assumptions		
Discount Rate (% p.a)	7.83%	6.89%
Expected rate of salary increase (%)	6.00%	6.00%
Mortality rate	(% of IALM 2012-14)	(% of IALM 2012-14)
Normal retirement age	60.00	60.00
Attrition / Withdrawal rates per annum	1.00%	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts of Defined benefit plan for the current and previous periods are as follows :

Particulars	Present value of Defined benefit obligation	Surplus / (deficit)	Experience adjustments on plan liabilities (loss)/gain	Impact of Change in Assumptions on Plan Liabilities (loss)/gain
March 31, 2026	15.89	(15.89)	1.78	(0.34)

Sensitivity analysis of the defined benefit obligation

Assumptions	Discount Rate		Salary Growth Rate	
Sensitivity Level	+50 basis point	-50 basis point	+50 basis point	-50 basis point
0.50% movement	8.33%	7.33%	6.50%	5.50%
Increase/(decrease) in defined benefit Obligation	14.42	17.54	17.57	14.37
Increase/(decrease) in Current Service Cost	3.62	4.44	4.41	3.61

Particulars	As at 31 March 2026	As at 31 March 2025
Compensated absences		
Charge in the Statement of Profit and Loss	21.33	16.85
Liability as at the year end	10.02	3.71
Actuarial assumptions		
Discount rate	7.83%	6.59%
Salary escalation	6.00%	6.00%
Retirement age	60 Yrs	60 Yrs
Attrition rate	1.00%	1.00%

Consolidated Notes to Accounts

(₹ in lakhs)

ii) BEL RETIRED EMPLOYEES CONTRIBUTORY HEALTH SCHEME (BERECHS) :

The Company has a contributory health scheme for its retired employees "BEL Retired Employees' Contributory Health Scheme" (BERECHS), which is a funded scheme. Company remits fund to the BREM Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation.The primary objective of the scheme is to provide medical facilities to employees retiring on attaining the age of superannuation, or on VRS. Benefits under the Scheme shall be available to the employees who become member and their spouses only.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amounts recognised in the Balance Sheet and the movement in the net defined benefit obligation over the years as per Actuarial valuation :

	Particulars	2025-26	2024-25
i)	**Change in Present Value of Obligations :**		
	Present Value of Obligation (PVO) as at the beginning of the year	1,72,457	1,57,103
	Current Service Cost	9,049	8,232
	Interest Cost	11,292	10,649
	Past service cost	5,052	4,832
	Benefits paid	(8,829)	(8,655)
	Actuarial (gains) / Losses recognised in other comprehensive income		
	Changes in financial assumptions on plan liability - loss / (gains)	(28,046)	(6,802)
	Experience adjustments on plan liability - loss / (gains)	23,595	7,098
	Impact on Change in Demographic assumption on Plan liabilities - loss / (gains)	-	-
	Present Value of Obligation as at the end of the period	**1,84,570**	**1,72,457**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	1,59,700	1,43,636
	Expected return on plan assets	10,864	10,179
	Direct Contributions to meet direct benefit payment	-	-
	Benefit paid	(8,829)	(8,655)
	Actuarial gain / (loss) on plan Assets recognised in other comprehensive income	1,392	1,073
	Contribution to plan assets	12,757	13,467
	Fair value of plan assets at the end of the period	**1,75,884**	**1,59,700**
	Defined benefit (Asset) / liability	**8,686**	**12,757**
	Effects of asset ceiling - As at the beginning of the year	-	-
	Effects of asset ceiling - As at the end of the year	-	-
	Net defined benefit (asset) / liability	**8,686**	**12,757**
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Current Service cost	9,049	8,232
	Net Interest on net defined benefit obligation	429	469
	Past service cost	5,052	4,832
	Net Expenses Recognised in the Statement of Profit & Loss	**14,530**	**13,533**
iv)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on plan Obligations	(4,451)	296
	Difference between Actual Return and expected Interest on Plan Assets (gain)/loss	(1,392)	(1,073)
	Amounts recognised in the statement of Other Comprehensive Income	**(5,843)**	**(777)**

Consolidated Notes to Accounts

(₹ in lakhs)

	Particulars	2025-26	2024-25
v)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	1,84,570	1,72,457
	Fair Value of Plan Assets at the end of the period	1,75,884	1,59,700
	Funded Status [(Surplus) / Deficit]	8,686	12,757
	Effects of asset ceiling - As at the beginning of the year	-	-
	Effects of asset ceiling - As at the end of the year	-	-
	Liability / (Asset) for the year as on 31 March as per Balance Sheet	**8,686**	**12,757**
vi)	**Plan Assets**		
	Categories of Plan Assets are as follows:		
	Government of India Securities		-
	State Government Securities		-
	High Quality Corporate Bonds		-
	Equity shares of listed companies		-
	Property		-
	Special Deposit Scheme		-
	Funds managed by Insurer	99.99%	99.99%
	Others (Bank balance)	0.01%	0.01%
vii)	**Actuarial Assumptions :**		
	Discount Rate	7.60	6.72
	Medical inflation rate	6.50	6.50
	Attrition Rate	1.50	1.50
viii)	**Best Estimate of Contribution to be paid :**		
	The best estimate of contribution to be paid towards BERECHS during the annual period beginning after the Balance Sheet is ₹ 8,686 (₹12,757).		
ix)	Effect of a one percentage point increase in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :		
	Effect on the aggregate of the service cost and interest cost	4,181	3,613
	Effect on the defined benefit obligation	32,497	30,148
	Effect of a one percentage point decrease in assumed health care cost trend rates on the aggregate of the service cost and interest cost and defined benefit obligation :		
	Effect on the aggregate of the service cost and interest cost	(3,216)	(2,790)
	Effect on the defined benefit obligation	(25,002)	(23,277)
x)	**Sensitivity Analysis :**		
	Discount Rate (0.50% movement)increase	8.10	7.22
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(13,104)	(12,287)
	Discount Rate (0.50% movement)decrease	7.10	6.22
	Increase/(decrease) Defined benefit Obligation as at the end of the period	15,057	14,109
	Medical Inflation Rate (0.50% movement)increase	7.00	7.00
	Increase/(decrease) Defined benefit Obligation as at the end of the period	15,148	14,070
	Medical Inflation Rate (0.50% movement)decrease	6.00	6.00
	Increase/(decrease) Defined benefit Obligation as at the end of the period	(13,289)	(12,365)

Consolidated Notes to Accounts

(₹ in lakhs)

Additional Disclosures :

i. Sensitivity analysis involves changing one key actuarial assumption at a time keeping the other assumptions constant. Sensitivity analysis has been carried out using the Direct Method by re-running the entire valuation model for the changed assumptions by using magnitude of variation of plus or minus 50 basis points.

ii. No change in the methods and assumptions used for preparing sensitivity analysis as compared to previous year.

iii. Maturity profile of the BERECHS defined benefit obligation is given below:

Year	As at 31 March 2026	As at 31 March 2025
Year 1	8,572	8,801
Year 2	9,261	9,178
Year 3	9,840	9,521
Year 4	10,388	9,836
Year 5	10,903	10,120
Next 5 years	61,693	54,593

Note:
Sum of ₹ 552 (₹ 749) paid towards BERECHS expenditure is due from BREM Trust and the same is included in PVO.

(iii) EMPLOYEES PROVIDENT FUND [INTEREST SHORTFALL] :

Employees Provident Fund is managed by Provident Fund Trust of the Company. The Company contributes Management's contributions payable towards Employee Provident Fund to the Trust.

The Contribution made by the company and shortfall of interest if any, is recognised as an expense in statement of profit and loss under Employee benefits expense. In accordance with the actuarial valuation of provident fund liabilities and based on the assumptions, there is a shortfall in interest cost as the present value of the expected future earnings of the fund is less than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of the provident fund trust.

	Particulars	2025-26	2024-25
i)	**Change in Present Value of Benefit Obligations :**		
	Present Value of Obligation as at the beginning of the year	3,74,304	4,23,730
	Current Service Cost	13,366	12,923
	Interest Cost	24,594	26,684
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Actuarial (gain) / Loss	4,124	5,659
	Benefits paid/payable	(84,063)	(1,51,940)
	Contributions	54,068	57,248
	Present Value of Obligation as at the end of the period	**3,86,393**	**3,74,304**
ii)	**Change in Fair Value of plan assets :**		
	Fair value of plan assets at the beginning of the year	3,76,373	4,19,321
	Expected return on plan assets	24,734	26,377
	Contributions*	67,433	70,171
	Benefit paid	(84,063)	(1,51,940)
	Actuarial gain / (loss) on Plan Assets	(7,263)	12,444
	Fair value of plan assets at the end of the period	**3,77,214**	**3,76,373**

Consolidated Notes to Accounts

(₹ in lakhs)

	Particulars	2025-26	2024-25
iii)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Opening Net Liability	-	-
	Current Service cost	13,366	12,923
	Interest Cost	24,594	26,684
	Expected return on Plan Assets	(24,734)	(26,377)
	Net Actuarial (gain) / loss recognised in the period	-	-
	Past Service Cost (Non vested Benefits)	-	-
	Past Service Cost (vested Benefits)	-	-
	Expenses Recognised in the Statement of Profit & Loss	**13,226**	**13,230**
iv)	**Amounts recognised in Balance Sheet :**		
	Present Value of Obligation as at the end of the period	3,86,393	3,74,304
	Fair Value of Plan Assets at the end of the period	3,77,214	3,76,373
	Effect of Balance Sheet asset limit	993	5,527
	Difference	**10,172**	**3,458**
	Unrecognised Actuarial (gains) / losses	-	-
	Liability recognised in Balance Sheet	**10,172**	**3,458**
v)	**Amount for the Current Period :**		
	Present Value of Obligation	3,86,393	3,74,304
	Plan Assets	3,77,214	3,76,373
	Effect of Balance Sheet asset limit	993	5,527
	Surplus/ (Deficit)	(10,172)	(3,458)
	Experience Adjustments on Plan liabilities - (Loss)/ Gain	(4,810)	(5,492)
	Experience Adjustments on Plan Assets - (Loss)/ Gain	(7,263)	12,444
vi)	**Amounts recognised in the statement of Other Comprehensive Income (Re-measurements) :**		
	Actuarial (gain)/loss on Plan Obligations	4,124	5,659
	Difference between Actual Return and Interest Income on Plan Assets - (gain)/loss	7,263	(12,444)
	Effect of Balance Sheet asset limit	(1,215)	10,244
	Amounts recognised in the statement of Other Comprehensive Income	10,172	3,458
vii)	**Category of Assets as at March 31 :**		
	Government of India Securities & State Government Securities	53.40%/41.36%	51.83%/40.94%
	High Quality Corporate Bonds	33.49%/36.72%	35.39%/32.08%
	Mutual Funds	4.50%/7.39%	4.46%/4.88%
	Others	6.13%/8.93%	6.05%/17.14%
	Recoverable from Enterprise **	2.48%/5.60%	2.27%/4.96%
	Total	**100%/100%**	**100%/100%**
viii)	**Actuarial Assumptions :**		
	Discount Rate	7.60%	6.72%
	Salary escalation rate	7.00%	7.00%
	Expected rate of Return on Plan Assets	7.83%/8.13%	7.87%/8.10%

*Note: Includes ₹ 2,135 (₹ 2,182) towards interest shortfall of the provident fund Trust for the current year and provided.

** Note: The unsecured/secured (principal) portion of the investment which amounts to ₹ 11,149 (₹ 12,077) has been considered by the Trust as a Non-Performing Investment and this amount has been classified as an amount recoverable from the enterprise in the event of default/loss on sale of asset and accordingly provided.

Consolidated Notes to Accounts

(₹ in lakhs)

B. Long Term Compensated Absence :

The Company has a Long Term Compensated Absence Scheme for its employees, which is a Non-Funded Scheme. The employees of the Company are entitled to two types of Long Term Compensated Absences: Annual Leave (AL) & Half Pay Leave (HL) in case of Executives and Annual Leave (AL) & Sick Leave (SL) in case of Non-Executives. The scheme provides for compensation to employees against the unavailed Leave (AL & HL in case of Executives and AL & SL in case of Non-Executives) on attaining the age of superannuation, VRS or death. AL can also be encashed during service or at the time of resignation.

The following table summarises the components of net benefit expense recognised in the Statement of Profit & Loss and amount recognised in the Balance Sheet for the plan as furnished in the disclosure report provided by the Actuary :

	Particulars	2025-26	2024-25
i)	**Expenses Recognised in the Statement of Profit & Loss :**		
	Net Expenses Recognised in the Statement of Profit & Loss [2025-26 Leave Encashed : ₹ 2,539, Provisions : ₹-161] [2024-25 Leave Encashed : ₹ 3,158, Provisions : ₹ 5,195]	2,378	8,353
ii)	**Amounts to be recognised in Balance Sheet :**		
	Liability recognised in Balance Sheet [As per Actuarial Valuation]	58,610	58,772
iii)	**Actuarial Assumptions :**		
	Discount Rate	7.60%	6.72%
	Rate of increase in compensation level	7.00%	7.00%
iv)	Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months/ beyond 12 months.		
	Current leave obligations expected to be settled within the next 12 months	7,391	7,257
	Leave obligations expected to be settled beyond 12 months	51,219	51,515
	Total	**58,610**	**58,772**

Long Term Compensated Absence (in Respect of Subsidiary - BELOP)

Leave Encashment

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

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

The liability for payment of long term compensated absence such as annual leave valued on actuarial basis is ₹ 748 (₹ 736). The actuarial valuation has been done using PUC method.

Particulars	2025-26	2024-25
Retirement Age	60 years	60 years
Attrition Rate	2%	2%
Future Salary Rise	10.50%	10.50%
Rate of Discounting	7.06%	6.73%
Mortality Table	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

Consolidated Notes to Accounts

(₹ in lakhs)

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

Particulars	2025-26	2024-25
Current Liability	15	14
Non Current Liability	733	722
Total	**748**	**736**

C. Pension Scheme :

The Company has got a defined contribution pension benefit plan for the benefit of its employees in respect of which contribution is made on an annual basis to a Trust setup for this purpose.

The benefit under the scheme are available for the employees as per the rules laid down in this regard.

i) A narrative description of the specific or unusual risks arising from a defined benefit plan (i.e. Gratuity and BERECHS)

The specific risk relating to defined benefit plans are as follows :-

Movement in long term government bond rate between two reporting periods which will impact discount rate and consequently the present value of obligations.

Risk of higher / lower salary escalation / benefit as considered for valuation vis-a-vis the actual experience through the Financial Year.

However, both the risks are mitigated on a regular basis i.e. yearly as valuations are done after every year based on updated assumptions.

ii) A narrative description of any asset-liability matching strategies.

The gratuity Plan and BERECHS Medical Plan of the company is a funded plan. The assets backing this plan are predominantly insurer-managed funds. Hence the company has limited flexibility in terms of implementing asset-liability matching strategies for this plan.

iii) A description of the funding arrangements and funding policy.

a) The Gratuity plan of the company is a funded plan. 99.99 % (99.99%) of the plan assets backing this plan are insurer managed assets and Nil (Nil) of the plan assets are invested in Central and State Government Securities. The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.

b) The BERECHS Medical plan of the company is a funded plan. 99.99% (99.99%) of the plan assets backing this plan are insurer managed assets The annual contribution to the fund is normally set equal to the deficit as disclosed by the preceding actuarial valuation of the benefit obligations.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 22 - Other liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non Current		
Deferred revenue - customer grants	-	-
Sub Total (A)	**-**	**-**
Current		
Contract liability		
- Customer advance received	12,57,128	13,89,982
- Deferred revenue	10,547	6,525
Statutory liabilities	50,177	26,666
Others	4,253	5,529
Sub Total (B)	**13,22,105**	**14,28,702**
Total (A+B)	**13,22,105**	**14,28,702**

i. Contract Liability

Revenue recognised during the period is ₹ 5,10,711 (₹ 6,75,683) that was included in the contract liability balance at the beginning of the period.

Note 23 - Revenue from operations

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Sale of products	24,17,369		20,90,047	
Income from services	2,62,278		2,21,683	
Revenue from contracts from customers		**26,79,647**		**23,11,730**
Other operating revenue				
Sale of scrap		1,460		1,279
Transport receipts		271		258
Rent receipts		728		814
Canteen receipts		1,812		1,582
Electricity charges collected		203		169
Water charges collected		60		58
Provisions withdrawn				
- Performance warranty	-		5,186	
- Onerous contracts	-		2,926	
- Doubtful debts, Liquidated Damages	36,430		13,723	
- Inventory	3,907		4,266	
- Loans & advances	758		332	
- Others	13		132	
		41,108		**26,565**
Government grants including duty drawback		4,404		3,084
LD recovered from vendors		24,969		24,244
Miscellaneous		6,349		7,092
Total other operating revenue		**81,364**		**65,145**
Total revenue from operations		**27,61,011**		**23,76,875**

Consolidated Notes to Accounts

(₹ in lakhs)

(i) Disaggregation of revenue recognised against contracts with customers (2025-26)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Product	21,53,085	1,15,891	14,263	1,34,130	24,17,369
Income from Services	2,02,312	50,927	3,865	5,174	2,62,278
Total	**23,55,397**	**1,66,818**	**18,128**	**1,39,304**	**26,79,647**

Out of above, Group's Export sales, ₹ 1,33,124 pertains to Parent company. In addition to this GE-BE Pvt Ltd has exports of ₹ 1,71,184 (value not included above).

Disaggregation of revenue recognised against contracts with customers (2024-25)

Particulars	Domestic			Exports	Total
	Government of India		Others		
	Defence	Non-Defence			
Sale of Product	19,08,990	85,357	12,984	82,716	20,90,047
Income from Services	1,60,960	47,056	6,747	6,921	2,21,683
Total	**20,69,950**	**1,32,413**	**19,731**	**89,637**	**23,11,730**

Out of above Group's Export sales, ₹ 89,235 pertains to Parent company. In addition to this GE-BE Pvt Ltd has exports of ₹ 1,65,063 (value not included above).

(ii) Reconciliation of revenue recognised in Statement of Profit and Loss with contract Price.

Particulars	2025-26		2024-25	
Revenue as per Statement of Profit and Loss Account				
Sale of Product	24,17,369		20,90,047	
Income from Services	2,62,278		2,21,683	
Total (a)		**26,79,647**		**23,11,730**
Add / (Less) adjustment to contract price				
Foreign exchange variation claim	(40,279)		(41,851)	
Price revision	(21,693)		547	
Discount, rebate offered	7		16	
Others	(3,002)		(2,745)	
Total adjustment (b)		**(64,967)**		**(44,033)**
Contract price (a+b)		**26,14,680**		**22,67,697**

Satisfaction of performance obligation

a. 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. Where a contract involves multiple performance obligation, the criteria specified in Ind AS 115 is applied to determine the point in time when the performance obligation is satisfied.

b. Under "Bill and hold" arrangement performance obligation is satisfied on unconditional appropriation of the goods to the contract. Normally no obligation towards custodial service exists.

Consolidated Notes to Accounts

(₹ in lakhs)

c. Contract with the customer normally do not contain significant financing component and any advance payment received and / or amount retained by customer is with intention of protecting either parties to the contract.

d. Variable consideration primarily consists of amount receivable / reimburseable against foreign exchange variation clause. The amount of revenue recognised in respect of the same is determined based on the methodology specified in the contract. The amount is recognised as revenue on accrual basis.

e. The Group turnover mainly includes supply of defence electronics equipments and systems.

f. Contract entered into with customer, typically do not have a return / refund clause.

g. Warranties provided are primarily in the nature of performance warranty.

h. The Parent company normally uses the input method to recognise revenue is respect of contracts in which performance obligation are satisfied over a period of time. For revenue recognition, the percentage of completion method is adopted where in the percentage of actual cost incurred to total estimated cost is applied to the contract price for arriving at the quantum of revenue to be recognised.

i. Contract with customer (other than AMC) in respect of which revenue is recognised over a period of time typically involves multiple activities of different nature like construction of building, supply and installation of equipments, networking of equipment and system etc. Due to this it is not possible to quantify in physical terms the quantum of work done (i.e. output) reliably. Whereas, under input method, the cost incurred in respect of these varied activities can be captured and compared to the total estimated cost to be incurred (which can be estimated reliably), for arriving at the percentage of completion. In case of AMC contracts, output method is used to recognise revenue where passage of time is the criteria for satisfaction of performance obligation.

j. 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".

- Control is not retained
- 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

k. Transaction price is typically determined based on contract entered into with customer. Allocation of transaction price in respect to multiple obligation is based on relative standalone selling price.

l. No non-cash consideration are received / given during the current / previous year.

iii. Retention Sale

The Value of Retention Sales (i.e., Goods retained with the Company at the Customers' request and at their risk) included in Turnover during the year is ₹ 2,67,503 (₹ 53,008).

Out of the above the Value of Ex-works Sales is ₹ 7,046 (₹ 198).

Consolidated Notes to Accounts

(₹ in lakhs)

Note 24 - Other Income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income on term deposits	53,529	62,234
Interest income from staff / IT refund / others	564	2,543
Profit on sale of property, plant & equipments	330	255
Foreign exchange differential gain	-	6,758
Rental income - Investment property	189	182
Gain / (loss) on mutual funds	1,935	2,053
Miscellaneous (Net of expenses)	56	211
	56,603	**74,236**

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

Note 25 - Changes in inventories of finished goods, work in progress & scrap

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Work-in-progress:				
Closing Inventory	3,76,279		3,37,185	
Opening Inventory	3,37,185		2,65,150	
		(39,094)		(72,035)
Finished goods:				
Closing Inventory	54,925		34,415	
Opening Inventory	34,415		24,514	
		(20,510)		(9,901)
Scrap:				
Closing Inventory	508		505	
Opening Inventory	505		509	
		(3)		4
		(59,607)		**(81,932)**
Less: Unrealised Profit on Stock		81		204
		(59,688)		**(82,136)**

Consolidated Notes to Accounts

(₹ in lakhs)

Note 26 - Employee benefits expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus / ex-gratia	2,37,695	2,22,559
Retirement benefit expenses		
Gratuity*	12,068	1,526
Contribution to provident and pension funds	16,797	15,971
Management contribution to BEL superannuation (Pension) scheme**	11,256	6,511
Provision for BEL retired employees' contributory health scheme	14,529	13,533
	54,650	**37,541**
Welfare expenses	19,210	15,963
	3,11,555	**2,76,063**

*Amount for Financial year 2025-26, includes ₹ 10,172 on account of increase in Gratuity Ceiling from ₹ 20 to ₹ 25 per employee and applicability of Gratuity liability in respect of Project Engineers and Trainee Engineers as per new labour code. (Relating to Parent Company).

**Amount for Financial year 2025-26, includes increased in Management Contribution towards Pension Scheme in respect of Non- Executives by 2% from FY 2016-17 onwards. (Relating to Parent Company).

Refer Note 31 for Remuneration to Key Managerial Personnel.

Refer Note 21 (A) (iii), accordingly a provision of ₹ 928 (₹ 1,249) was reversed.

Above expenses includes an amount of ₹ 513 (₹ 390) pertaining to CSR Administration Overhead in respect of parent company.

Impact of Labour Codes:

On 21 November 2025, the Government of India notified provisions of the Code on Wages 2019, the Industrial Relations Code 2020, the Code on Social Security 2020 and the Occupational Safety, Health and Working Conditions Code 2020, which consolidates the existing 29 labour laws into a unified framework governing employee benefits. The financial impact of these changes is ₹ 2,055 for Financial Year 2025-26 (Relating to Parent Company).

Note 27 - Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest expenses		
Interest on dues to Micro & Small Enterprises	3	13
Interest on income tax	-	1
Interest expense on lease liability	425	416
Other interest expenses	222	509
	650	**939**
Other borrowing cost		
Loan processing charges	23	29
	673	**968**

Consolidated Notes to Accounts

(₹ in lakhs)

Note 28 - Depreciation / amortisation

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation / amortisation on property, plant & equipment	48,156	42,121
Amortisation on other intangible assets	6,669	4,023
Depreciation / amortisation on right of use assets	742	594
	55,567	**46,738**

Note 29 - Other expenses

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Power and fuel *		5,221		5,137
Water charges		652		448
Royalty & technical assistance		432		738
Rent		1,979		1,707
Rates & taxes		1,627		1,270
Insurance		5,296		3,588
Auditors remuneration				
Audit fees	50		50	
Tax audit fees	6		6	
Other services (Certification fees)	27		15	
Reimbursement of expenses	9		16	
		92		**87**
Cost audit fee		6		5
Repairs & maintenance				
Buildings	4,542		4,494	
Plant & machinery	2,685		2,250	
Others	16,184		12,508	
		23,411		**19,252**
Bank charges		340		285
Printing and stationery		406		346
Advertisement & publicity		2,172		1,455
Travelling expenses		18,843		19,437
Hiring charges for van & taxis		2,333		1,807
Packing & forwarding		3,167		3,303
Bad debts & advances written off	15,971		8,309	
Less: Charged to provisions	(15,956)		(8,305)	
		15		**4**
Provision for obsolete / redundant materials		7,920		6,633
Provisions for doubtful debts, liquidated damages, customers' claims and disallowances		1,12,017		1,08,294
Provision for doubtful advances, claims		1,184		752
Provision for performance warranty (net) **		7,951		-
Provision - Onerous Contract (net) **		15,531		-

Consolidated Notes to Accounts

(₹ in lakhs)

Particulars	For the year ended 31 March 2026		For the year ended 31 March 2025	
Write off of raw materials, stores & components due to obsolescence and redundancy	13,715		7,197	
Less: Charged to provisions	(13,688)		(7,163)	
		27		**34**
Provision for Intangible asset under development		4,826		-
Intangible asset Under Development charged off		-		129
Corporate social responsibility		10,321		7,839
Contract costs charged off		234		839
Others				
Other Misc Direct Expenditure ***	16,545		14,662	
Foreign Exchange Differential Loss	335		-	
After Sales Service	1,111		580	
Telephones	979		896	
Expenditure on Seminars & Courses	1,193		917	
Other Selling Expenses	643		349	
Miscellaneous	8,430		7,092	
		29,236		**24,496**
		2,55,239		**2,07,885**
Less: Expenditure allocated to capital jobs	(14,031)		(9,166)	
		2,41,208		**1,98,719**

* Power expenditure incurred during the year is after netting off Wind Energy Generation of ₹ 1,701 (₹ 1,568).

** Refer note 21.

*** Includes expenses towards outsourcing of production area.

i. Intangible Asset under development written off ₹ 9,000 (₹ 7,709) against "Provision for Intangible Asset under development" during the Financial year. (Relating to parent Company)

Note 30 - General Notes to Accounts

1 Earnings per Equity Share

Particulars		2025-26	2024-25
a	**From continuing operations**		
	Basic earnings per share (INR)	8.29	7.28
	Diluted earnings per share (INR)	8.29	7.28
b	Amounts used as the numerators in calculating basic and diluted earnings per share	6,06,226	5,32,268
c	Number of Shares used in computing earnings per share	7,30,97,78,829	7,30,97,78,829

Consolidated Notes to Accounts

(₹ in lakhs)

2 Consolidation Procedure

The Consolidated Financial Statements ("CFS") have been prepared on the basis of audited financial statements of the Parent Company viz., Bharat Electronics Limited (BEL), its subsidiaries viz., BEL Optronic Devices Limited, Pune (Share Holding 100%) and BEL-THALES Systems Limited, Bengaluru (Share Holding 74%), and unaudited financial statements of Associates Companies viz., GE BE Private Limited, Bengaluru (Share Holding 26%) and BEL IAI Aerosystems Private Limited (Share Holdings 40%). The financial statements of the Parent and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group transactions and unrealised profit / loss. Deferred tax assets and deferred tax liability have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liability and where the deferred tax assets and deferred tax liabilities relates to income taxes levied by the same taxation authority.

In respect of Associates,GE BE Pvt. Ltd. and BEL IAI Aerosystems Pvt. Ltd., consolidation have been done under equity method basis.

The financial statements of the subsidiaries and Associates are drawn upto the same reporting date as that of the Parent Company.

Other associate companies, Defence Innovation Organisation (DIO), Electronic Warfare (Defence) Testing Foundation, Communication (Defence) Testing Foundation, UAS Testing Foundation are a not for profit company registered under Sec. 8 of the Companies Act, 2013 is not considered for consolidation as the parent company do not exercise any control and also do not have any right on variable returns, other than equity investment.

In respect of our Associate Companies GE BE Pvt. Ltd. and BEL IAI Aerosystems Pvt. Ltd., the financial statements considered for Group's Consolidation for FY 2025-26 are unaudited. However, the same has been certified by the management and its impact on Group's Consolidation is not material.

3 The difference between the cost to the parent company of its investment in the subsidiary companies and the parent company's portion of the equity in the subsidiary with reference to the date of acquisition of controlling interest is recognised in the financial statements as Goodwill / Capital Reserve. The parent company's share of post acquisition profit / losses of the subsidiaries is adjusted in the revenue reserves.

4 Non Controlling interests in the net results of operations and the net assets of the subsidiaries represent that part of the profit / loss and the net assets not attributable to the parent company.

5 Additional information disclosed in individual financial statements of the parent and subsidiaries / Associate having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

6 Statement of Compliances

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 (the "Act") read with (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provision of the Act.

7 Impairment of Assets

The Company has analysed Indications of impairment of assets of each geographical composite manufacturing unit considered as Cash Generating Units (CGU). On the basis of assessment of internal and external factors, an accumulated amount of ₹ 4,996 (₹ 9,170) is provided as provision for impairment as on Balance Sheet date. During the year an amount of ₹ 4,826 (Nil) has been provided as impairment of asset.

Consolidated Notes to Accounts

(₹ in lakhs)

8 Short Term Borrowings

a The parent company has been sanctioned working capital limit of ₹ 5,00,000 (₹ 5,00,000) by Consortium Bankers (SBI Lead Bank). The sanctioned limit includes fund based limit of ₹ 50,000 (₹ 50,000) and non fund based limit of ₹ 4,50,000 (₹ 4,50,000).

b The interest rate payable on fund based limit is linked to SBI 3 months MCLR Rate. [Interest rate payable as on 31.03.2026 is 8.25% p.a. (8.55% p.a.)].

c The amount utilised is repayable on demand. Utilisation as on 31.03.2026 is Nil (Nil).

d The above sanction limit is secured by hypothecation of Current Assets of the parent company (refer Note 35).

e The subsidiary company [BELOP] has been sanctioned working capital limit of ₹ 2,500 by the consortium bankers of SBI (Lead bank) and Axis Bank. The rate of interest is 9.80% (10.10%) p.a.[SBI].

9 Contractual Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
A. Estimated amount of contracts remaining to be executed on Capital Account and not provided as on 31 March		
Property, Plant & Equipments (Net of Advance)	1,13,702	72,776
Investment Property	-	-
Other Intangible Assets	10,327	15,914
B. Contractual Commitment for Repair and Maintenance or enhancement of Investment Property	-	-
C. Other commitments i.e., Non-cancellable contractual commitments (i.e., cancellation of which will result in a penalty disproportionate to the benefits involved) as on 31 March	-	-

10 Contingent Liabilities:

Particulars	As at 31 March 2026	As at 31 March 2025
Claims not acknowledged as debts		
i. Statutory Dues		
a. Direct Taxes (Income taxes)	19,648	4,508
b. Indirect Taxes (Service tax, Excise Duty, Custom Duty and GST)	15,613	13,528
ii. Arbitration (Vendor, Customer and Others)	1,57,102	1,39,519
iii Outstanding Letters of Credit	57,417	63,587
iv Provisional Liquidated Damages upto 31 March on unexecuted customer orders where the delivery date has expired	63,669	80,368

In respect of certain Labour and other cases, liability is not asertainable as on date, as the matter is yet to be adjudicated. However such liability is not expected to be material.

11 Contingent Assets:

Particulars	As at 31 March 2026	As at 31 March 2025
Nil	-	-

Consolidated Notes to Accounts

(₹ in lakhs)

12 Leases

Adoption of Ind AS 116

Effective 1 April, 2019, the company has adopted Ind AS 116 "Leases" using modified retrospective approach. The adoption of the standard did not have any material impact on the financial statements of the company.

a) As a lessor [Parent Company]

i) The future minimum Lease Rent Receivable

Particulars	As at 31 March 2026	As at 31 March 2025
Not later than one year	64	61
Later than one year and not later than five years	280	274
Later than five years.	2,505	2,575

The company has Leased out few portions of Land to different organisations under non-cancellableoperating Lease. Lease period is spread over from the year 1967 to 2077. The leases have various terms, escalation clause, lease renewal rights etc. On renewal, the terms of the lease are renegotiated.

The company has not recognised any income as contingent rent.

b) As a Lessee:

The right of use asset is recognised at :

a) The carrying amount of prepaid rent when no future lease payments are payable. or

b) At the carrying amount and discounted at incremental borrowing rate.

The company has not recognised any expenses as contingent rent.

The maturity analysis of contractual cash flows of lease liabilities disclosed in note 34.

13 Confirmation of Balances

Letters requesting confirmation of balances have been sent in respect of Trade Receivables, Trade Payables, Advances and Deposits. Wherever replies have been received, reconciliation is under process and impact on Financial Statements is not expected to be material.

14 Segment Reporting

Ministry of Corporate Affairs vide Notification no. 463 (E) dated 5 June, 2015 and as amended has exempted the Companies engaged in Defence Productions from the requirement of Segment Reporting.

15 In view of ongoing conflict in Israel, the Parent Company has analysed the existing contract / agreements with companies based in Israel. In our opinion there is no material financial impact as on 31.03.2026.

16 Dividend not recognised at the end of the reporting period [parent company]

The directors have recommended a final dividend of INR 0.55 (INR 0.90) [represents absolute figure] per share.

The proposed dividend is subject to approval of shareholders in the ensuing Annual General Meeting and if approved would results in cash outflow of approximately of ₹ 40,204 (₹ 65,788).

Consolidated Notes to Accounts

(₹ in lakhs)

17 Value of remaining Performance Obligations (Pending Orders to be executed)

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

Particulars	Total Amount	Within a Year	1-2 Years	2-3 Years	More than 3 Years
Unexecuted order value as on 31.03.2026	74,16,211	31,50,635	21,62,876	10,78,700	10,24,000
Unexecuted order value as on 31.03.2025	71,91,688	31,48,088	16,79,000	8,79,000	14,85,600

Typically major orders are from defence which involves long gestation period. Company expect to recognise revenue in respect of unsatisfied (or partially unsatisfied) performance obligation over a period of 3 - 5 years.

18 Other Disclosure as required as per the amendments in Schedule III.

a The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b Struck off Companies

₹ In INR (Represents absolute figure)

Name of the Struck off Company	Nature of Transactions with struck off company	Relationship with the struck off company, if any to be disclosed	As at 31 March 2026	As at 31 March 2025
Aircomfort Engineers Private Limited	Trade payables		32,253	32,253
Bigtech Software Private Limited	Trade payables		-	68,759
Chawla Health Care Private Limited	Trade payables		17,431	45,515
Chawla Health Care Private Limited	Security Deposit received		-	45,515
Ravi Thermal Engineers Pvt Ltd	Trade payables		42,480	48,960
Reethis Digital Media Pvt. Ltd.	Trade payables		46,454	70,335
S P EnterprisePrivate Limited	Advance Received		-	1,908
S.B.S. Technocarts & Engineers Private Limited	Security Deposit received		-	2,00,000
S.B.S. Technocarts & Engineers Private Limited	Trade payables		-	2,00,000
Sharp Products Private Limited	Advance Received		-	28,932
Solastek Network Systems Private Limited	Trade payables		29,598	11,02,839
Veeran Engineers	Security Deposit received		4,74,942	4,74,942
Epicurean Enterprises Pvt.Ltd.	Trade payables		11,122	11,122
Future Lighting India Limited	Security Deposit received		1,468	1,468
Purus Filtrotech Private Limited	Security Deposit received		16,125	21,000
Ibode India Pvt Ltd.	Trade payables		10,400	10,400
Ravi Thermal Engineers Pvt Ltd	Trade payables		42,480	48,960
United Gensets Private Limited	Trade payables		2,56,864	-
Iqubix Global Solutions Pvt. Ltd.	Advance Received		1,789	1,789
Star Wire India Limited	Trade payables		9,144	-
Star Wire India Limited	Security Deposit received		3,19,108	3,19,108

c The Group does not have any charges or satisfaction which is yet to be registered with Registrar Of Companies (RoC) beyond the statutory period.

d The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Consolidated Notes to Accounts

(₹ in lakhs)

e The Group has 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:

a. 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

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f The Group has 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 Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g The Group has not done 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).

19 Receivable other than trade receivable includes, a fraud on the Parent company by the employees during the year 2018-19 amounting to ₹ 1,000 has been detected during the routine internal audit. Out of the said amount, ₹ 64 has been recovered and the balance amount of ₹ 936 is recognised as receivable, pending recovery, the same has been provided for as doubtful in the statement of profit and loss. The Parent company has filed civil suits on respective employees and vendor. During the Financial Year 2022-23, ₹ 54 has been incurred towards court fees for filing civil suits.

20 An amount of ₹ 45 (₹ 39) has been contributed by parent company to Defence production IT Division which has been created as one of the division of HAL to implement IT related initiatives in Dept. of defence production including Ordnance Factory Board (OFB) and Defence Public Sector Units.

21 Previous year's Figures have been regrouped / reclassified wherever necessary. Figures in brackets relate to previous years.

22 All figures in the consolidated financial statement are rounded off to nearest rupees in lakhs unless otherwise mentioned.

23 Expenditure incurred on Research and Development:

The Company incurred on Research and Development during the year, which are included in the respective natural classification is given below:

Particulars	As at 31 March 2026	As at 31 March 2025
Expenditure		
Materials	61,593	30,866
Employees Remuneration & Benefits	84,697	75,003
Depreciation	11,834	9,120
Others	38,084	25,861
Gross Expenditure	**1,96,208**	**1,40,850**

24 The consolidated Ind AS financial statements were approved for issue on 19 May, 2026 by the Board of Directors.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 31 - Related Party Transactions

a. Associates

Name of the entity	Place of Business	Ownership interest held by the parent company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
GE BE Private Limited	India	26%	26%	-	-	Manufacturing of Medical Equipments.
Defence Innovation Organisation	India	50%	50%	-	-	Carrying out Defence related Research and Developmental activities.
Electronic Warfare (Defence) Testing Foundation	India	40%	40%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain
Communication (Defence) Testing Foundation	India	40%	40%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain
UAS Testing Foundation	India	20%	20%	-	-	Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial System (UAS) Domain
BEL IAI Aerosystem Private Limited	India	40%	40%	-	-	Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services

b. Key Management Personnel's Details

i. Name of Key Management Personnel's

Mr Manoj Jain, Chairman & Managing Director from 20.06.2024 Additional Charge as Director (Research & Development) from 20.12.2024 to 01.05.2025 Director (Research & Development) from 26.09.2022 till 19.06.2024 and Additional charge as Director (BG Complex) from 01.08.2023 till 09.08.2024
Mr Bhanu Prakash Srivastava, Director (Other Units) from 20.04.2022 till 31.05.2025 Additional Charge as Chairman & Managing Director from 01.11.2022 till 19.06.2024 and Additional Charge as Director (Research & Development) from 18.07.2024 to 19.12.2024
Mr Damodar Bhattad S, Director (Finance) & CFO from 11.01.2023
Mr Vikraman N, Director (Human Resources) from 01.06.2023
Mr Kaipa Venkata Suresh Kumar, Director (Marketing) from 16.06.2023
Mr Rajnish Sharma, Director (BG Complex) from 10.08.2024 and Additional Charge Director (Other Units) from 01.06.2025 to 13.07.2025
Mr Hari Kumar R, Director (Research & Development) from 02.05.2025
Mr Kamesh Kasana, Director (Other Units) from 14.07.2025
Mr S Sreenivas, Company Secretary from 01.04.2014
Mr Ashok K S, CEO - BELOP from 01.08.2023 to 30.09.2025
Mr P G Venugopal, CEO from 01.10.2025

Consolidated Notes to Accounts

(₹ in lakhs)

Mrs Priya S Iyer, Company Secretary - BELOP Additional Charge as CFO from 05.02.2024 to 14.05.2024 CFO from 15.05.2024
Mr Nikhil Kumar Jain, CEO - BEL THALES Systems from 01.03.2024 upto 31.01.2025
Mr Vijay Kumar M S, CEO - BEL THALES Systems from 01.02.2025
Mr Amresh Kumar Jha, CFO - BEL THALES Systems
Ms Kirti Sewani, Company Secretary - BEL THALES Systems

ii. Compensation to Key Management Personnels

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Short term employee benefits	743	614
Post employment benefits	46	43
Long term employee benefits	99	89
Termination benefits	-	-
Share based payment	-	-
Total	**888**	**746**

c. Post Employment Benefit Plans [Parent Company].

Particulars	Contribution by the company	
	For the year Ended 31 March 2026	For the year Ended 31 March 2025
BEL Provident Fund Trust	13,689	12,914
BEL Gratuity Trust Fund	2,099	2,130
Bharat Electronics Limited Superannuation (Pension) Trust	11,190	6,395
Bharat Electronics Limited Retired Employees Medical Trust (BREMT)*	12,757	13,467

*Refer note 21 (A) (ii) in respect to BREMT.

d. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) : -

Particulars	Associate					
	GE BE Private Ltd	Defence Innovation Organisation	BEL IAI Aerosystems Private Limited	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	UAS Testing Foundation
Sale of Goods	1,423	-	-	-	-	37
	(2,547)	-	-	-	-	-
Trade Receivables Outstanding as on 31.03.2026	322	-	-	-	-	44
	(372)	-	-	-	-	-
Investment in Equity as on 31.03.2026	260	1	164	469	418	300
	(260)	(1)	(164)	(469)	(418)	(300)
Contribution Oustanding as on 31.03.2026	-	-	-	-	-	-
	-	-	-	-	-	-

e. All transactions dealt with related parties are on arm's length basis.

Consolidated Notes to Accounts

(₹ in lakhs)

f. All Outstanding balances are Unsecured and is repayable / receivable in cash within next 6 months.

g. Transaction with Government and Government Related Entities by the parent company:

As BEL is a government entity under the control of Ministry of Defence (MoD), the company has availed exemption from detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions : -

An amount of ₹ 1,06,531 (₹ 85,979) was paid as Dividend during the FY 2025-26.

In addition to the above, around 94% (96%) of the Company's Turnover, around 94% (94%) of Trade Receivables and around 98% (97%) of Customer's Advance is with respect to government and government related entities.

h. Defence Innovation Organisation (DIO) was incorporated on 10 April 2017 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 100 (BEL: 50%; HAL: 50%) with an objective of funding innovation in defence sector. The registered office of the company is situated in BEL's premises in Bengaluru.

BEL IAI Aerosystems Private Limited (BIAPL) was incorporated on 25 September 2024 under Companies Act, 2013 with an authorised share capital of ₹ 410 (BEL: 40%; IAI: 60%) with an objective to establish Single Point of Contact (SPOC) for Carrying out Post Warranty Product Support Services.

Electronic Warfare (Defence) Testing Fooundation (EWDTF) was incorporated on 21 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,175 (BEL: 40%; HAL: 20%, IOL: 20%, BDL: 10%, TIDCO: 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Electronic Warfare (EW) Domain.

Communication (Defence) Testing Fooundation (CDTF) was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,045 (BEL: 40%; HAL: 25%, BEML: 25%, AWEIL: 10%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Communication (C) Domain .

UAS Testing Fooundation (UASTF) was incorporated on 31 May 2024 as a 'Not for Profit' Company as per the provisions of Section 8 of the Companies Act, 2013 with an authorised share capital of ₹ 1,500 (BEL: 20%; HAL: 33.33%, BEML: 20%, YIL: 10%, GIL: 10% and Endure Air: 6.67%) with an objective Defence Testing Infrastructure Scheme (DTIS) under Unmanned Aerial System (UAS) Domain.

Note 32 - Interest in Other Entities

a. Subsidiaries

Name of the entity	Place of Business / Place of Incorporation	Ownership interest held by the company		Ownership interest held by the non controlling interests		Principal Activities
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
BEL Optronic Devices Ltd. (BELOP)	**India**	100%	100%	-	-	Manufacture and Supply of Image Intensifier Tubes.
BEL - THALES Systems Ltd.	**India**	74%	74%	26%	26%	Design, Develop, Supply and Support of Defence and Civilian Radars.

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.

Consolidated Notes to Accounts

(₹ in lakhs)

b. Non-controlling interests (NCI)

i. Summarised Financial Information relating to each of the Company's subsidiaries that has material Non Controlling Interests, before any intra group eliminations

Summarised Balance Sheet	BEL - THALES Systems Ltd.	
	As at 31 March 2026	As at 31 March 2025
NCI percentage	**26%**	**26%**
Non - Current assets	1,720	1,901
Current assets	12,652	8,212
Total Assets	**14,372**	**10,113**
Non - Current liabilities	209	243
Current liabilities	6,920	2,587
Total liabilities	**7,129**	**2,830**
Net assets	**7,243**	**7,283**
Net assets attributable to NCI	**1,883**	**1,894**

Summarised Statement of Profit & Loss	BEL - THALES Systems Ltd.	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue	15,200	12,252
Profit	98	476
Other comprehensive income (OCI)	5	(3)
Total comprehensive income	**103**	**473**
Profit allocated to NCI	27	123
OCI allocated to NCI	-	-
Total comprehensive income allocated to NCI	**27**	**123**

Summarised Cash Flows	BEL - THALES Systems Ltd.	
	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flows from Operating activities	1,390	1,284
Cash flows from Investing activities	(1,296)	(3,300)
Cash flows from Financing activities	(220)	198
Net increase / (decrease) in cash and cash equivalents	**(126)**	**(1,818)**

Consolidated Notes to Accounts

(₹ in lakhs)

c. Interest in Associates

Name of the Entity	Place of Business / Place of Incorporation	% of ownership interest	Relationship	Accounting Method	Carrying Amount	
					As at 31 March 2026	As at 31 March 2025
GE BE Private Limited	India	26%	Associate	Equity Method.	17,396	16,136
BEL IAI Aerosystem Private Limited	India	40%	Associate	Equity Method.	76	146
Defence Innovation Organisation	India	50%	Associate	#	1	1
Electronic Warfare (Defence) Testing Foundation	India	40%	Associate	#	469	469
Communication (Defence) Testing Foundation	India	40%	Associate	#	418	418
Unmanned Aerial System Testing Foundation	India	20%	Associate	#	300	300

Represents investment made with Defence Innovation Organisation, Electronics Warfare (Defence) Testing Foundation, Communication (Defence) Testing Foundation, Unmanned Aerial System Testing Foundation, being not for profit companies registered under Sec 8 of the Companies Act, 2013. The parent company does not exercise any control and does not have any right on variable returns from this associates other than equity investment of ₹ 1,188.

Fair Value of the investment in Associate is not disclosed as the equity of GE BE Private Ltd is unquoted.

GE BE Private Ltd is a manufacturer of medical instruments and its products complement the Business segment of Bengaluru and Pune units of the Parent company.

Carrying amount of the Company's interest in GE BE Private Ltd.

Summarised Balance Sheet	As at 31 March 2026 (Un-Audited)	As at 31 March 2025 (Un-Audited)
Non - Current assets	25,130	24,327
Current assets: -		
Cash and Cash equivalents	15,218	5,526
Other assets	67,083	72,165
Total Current assets	**82,301**	**77,691**
Total assets	**1,07,431**	**1,02,018**
Non - Current liabilities: -		
Financial liabilities other than trade payables	50	46
Other liabilities.	971	791
Total Non - Current liabilities	**1,021**	**837**
Current liabilities: -		
Financial liabilities other than trade payables	1,005	662
Other liabilities.	38,444	39,000
Total Current liabilities	**39,449**	**39,662**
Total liabilities	**40,470**	**40,499**
Net assets	**66,961**	**61,519**
Less unrealised profit on stock	(14)	(5)
Company's share of Net assets	**17,396**	**15,990**

Consolidated Notes to Accounts

(₹ in lakhs)

Summarised Statement of Profit & Loss	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue	1,92,509	1,80,888
Interest Income	260	111
Depreciation and amortisation	4,042	4,186
Interest expense	93	35
Income tax expense	5,244	4,912
Profit for the year	**15,385**	**13,739**
Other comprehensive income	32	(34)
Total comprehensive income	**15,417**	**13,705**
Company's share of Profit	3,958	3,572
Unrealised profit on stock	(14)	5
Net company share of profit	3,944	3,577
Company's share of OCI	8	(9)
Company's share of total comprehensive income	**3,952**	**3,568**

The Parent Company has received Dividend of ₹ 2,548 (₹ 2,730) from its Associate (GE BE private limited).

Reconciliation to carrying amounts

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening net assets	**15,990**	**15,157**
Profit for the year	3,958	3,572
Other comprehensive income	5	(9)
Unrealised profit on stock	(9)	-
Dividend paid	2,548	2,730
Closing net assets	**17,396**	**15,990**

Commitments and Contingent Liabilities in respect of Associates: -

Particulars	GE BE Pvt. Ltd.	
	As at 31 March 2026	As at 31 March 2025
Capital Commitments	44	130
Other Commitments	-	-
Other Contingent Liabilities	147	162

Carrying amount of the Company's interest in BEL IAI Aerosystem Private Limited

Summarised Balance Sheet	As at 31 March 2026 (Un-Audited)	As at 31 March 2025 (Un-Audited)
Non - Current assets	76	9
Current assets: -		
Cash and Cash equivalents	2,301	410
Other assets	202	-
Total Current assets	**2,503**	**410**
Total assets	**2,579**	**419**

Consolidated Notes to Accounts

(₹ in lakhs)

Summarised Balance Sheet	As at 31 March 2026 (Un-Audited)	As at 31 March 2025 (Un-Audited)
Non - Current liabilities: -		
Financial liabilities other than trade payables	-	-
Other liabilities.	1	-
Total Non - Current liabilities	**1**	**-**
Current liabilities: -		
Financial liabilities other than trade payables	3	-
Other liabilities.	2,385	55
Total Current liabilities	**2,388**	**55**
Total liabilities	**2,389**	**55**
Net assets	**190**	**364**
Company's share of Net assets	**76**	**146**

Summarised Statement of Profit & Loss	For the year ended 31 March 2026 (Un-Audited)	For the year ended 31 March 2025 (Un-Audited)
Revenue	-	-
Interest Income	15	-
Depreciation and amortisation	2	-
Interest expense	-	-
Income tax expense	62	(9)
Profit for the year	(172)	(46)
Other comprehensive income	-	-
Total comprehensive income	(172)	(46)
Company's share of Profit	(70)	(18)
Unrealised profit on stock	-	-
Net company share of profit	(70)	(18)
Company's share of OCI	-	-
Company's share of total comprehensive income	(70)	(18)

Reconciliation to carrying amounts

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening net assets	146	164
Profit for the year	(70)	(18)
Other comprehensive income	-	-
Unrealised profit on stock	-	-
Dividend paid	-	-
Closing net assets	**76**	**146**

Consolidated Notes to Accounts

(₹ in lakhs)

Commitments and Contingent Liabilities in respect of Associates: -

Particulars	BEL IAI Aerosystem Private Limited	
	As at 31 March 2026	As at 31 March 2025
Capital Commitments	-	-
Other Commitments	-	-
Other Contingent Liabilities	-	-

Name of the Entity		Defence Innovation Organisation	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	Unmanned Aerial System Testing Foundation
Place of Business / Place of Incorporation		India	India	India	India
% of ownership interest		50%	40%	40%	20%
Relationship		Associate	Associate	Associate	Associate
Carrying Amount	2025-26	1	469	418	300
	2024-25	1	469	418	300

d. Additional information required under Schedule III

Name of the Entity	Year	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent :									
Bharat Electronics Ltd.	**2025-26**	97.73%	23,45,870	99.25%	6,01,667	97.15%	3,469	99.23%	6,05,136
	2024-25	97.33%	19,45,788	98.85%	5,26,171	114.55%	827	98.87%	5,26,998
Subsidiaries :									
Indian									
BEL Optronic Devices Ltd. (BELOP)	**2025-26**	1.26%	30,129	0.10%	582	2.58%	92	0.11%	674
	2024-25	1.50%	30,076	0.39%	2,068	-13.02%	(94)	0.37%	1,974
BEL - THALES Systems Ltd.	**2025-26**	0.22%	5,360	0.01%	72	0.11%	4	0.01%	76
	2024-25	0.27%	5,389	0.07%	352	-0.28%	(2)	0.07%	350
Non Controlling Interest in Subsidiary:									
Indian									
BEL - THALES Systems Ltd.	**2025-26**	0.08%	1,883	0.00%	26	-	1	0.00%	27
	2024-25	0.09%	1,894	0.02%	124	-	-	0.02%	124
Associates (investment as per the equity method) :									
Indian									
GE BE Pvt. Ltd.	**2025-26**	0.72%	17,396	0.65%	3,949	0.14%	5	0.65%	3,954
	2024-25	0.80%	15,990	0.67%	3,571	-1.25%	(9)	0.67%	3,562
BEL IAI Aerosystems Pvt. Ltd.	**2025-26**	0.00%	76	-0.01%	(70)	-	-	-0.01%	(70)
	2024-25	0.01%	146	0.00%	(18)	-	-	0.00%	(18)
Total	**2025-26**	**100%**	**24,00,714**	**100%**	**6,06,226**	**100%**	**3,571**	**100%**	**6,09,797**
	2024-25	**100%**	**19,99,283**	**100%**	**5,32,268**	**100%**	**722**	**100%**	**5,32,990**

Consolidated Notes to Accounts

(₹ in lakhs)

Note 33 - Financial Instruments - Fair Value Measurements

1 Accounting classification and fair values

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

Particulars		As at 31 March 2026			As at 31 March 2025		
		FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets measured at fair value							
I	**Investments**						
i	Equity Instruments – Mana Effluent Pvt Ltd	-	19	-	-	18	-
ii	Equity instruments - Defence Innovation Organisation	-	-	1	-	-	1
b	Electronic Warfare (Defence) Testing Foundation	-	-	469	-	-	469
c	Communication (Defence) Testing Foundation	-	-	418	-	-	418
d	UAS Testing Foundation	-	-	300	-	-	300
e	LENS Foundation, Chennai	-	-	155	-	-	155
iii	**Other Investments**						
a.	Investment in Life Insurance Corporation (LIC) of India (towards Leave encashment liability)	61,125	-	-	56,800	-	-
	Sub Total	**61,125**	**19**	**1,343**	**56,800**	**18**	**1,343**
Financial Assets not measured at fair value							
II	**Trade Receivables**	-	-	12,87,576	-	-	9, 11,637
III	**Loans**						
a	Loans to Employees	-	-	1,001	-	-	810
IV	**Cash and cash equivalents**	-	-	1,88,796	-	-	71,345
V	**Other Bank Balances**	-	-	6,68,407	-	-	8,83,165
VI	**Other Financial Assets**						
a	Security deposits	-	-	4,422	-	-	4,272
b	Advance to Employees	-	-	192	-	-	165
c	Advance to Others	-	-	3	-	-	5
d	Receivables (other than Trade Receivables)	-	-	1,021	-	-	1,333
e	Interest accrued on term deposits	-	-	6	-	-	13
f	Bank deposits with more than 12 months maturity	-	-	119	-	-	613
g	Interest accrued but not due on term deposits	-	-	4,635	-	-	9,939
h	Other financial Assets	-	-	8,085	-	-	10,208
Other Investments							
a	Investment in Co-operative societies, Housing Societies etc.*	-	-	-	-	-	-
	Sub Total	**-**	**-**	**21,64,263**	**-**	**-**	**18,93,505**
	Total	**61,125**	**19**	**21,65,606**	**56,800**	**18**	**18,94,848**

* INR 4,750 (INR 4,750) [represents absolute figure] which is rounded off.

Consolidated Notes to Accounts

(₹ in lakhs)

	Particulars	As at 31 March 2026			As at 31 March 2025		
		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	Trade Payables	-	-	3,58,340	-	-	3,33,877
III	**Other Financial Liabilities**						
a	Interest Accrued and due on Trade Payables	-	-	7	-	-	19
b	Security Deposits including retention money	-	-	53,860	-	-	45,137
c	Unpaid Matured Deposits	-	-	37	-	-	37
d	Unpaid Dividend	-	-	433	-	-	356
e	Non Trade Payables Dues to MSME	-	-	2,302	-	-	1,167
f	Outstanding Expenses	-	-	91,673	-	-	79,158
g	Non Trade payables - Others	-	-	10,120	-	-	10,615
h	Interest Accrued and due - Term loan	-	-	-	-	-	-
i	Other Lease liability	-	-	6,546	-	-	6,123
j	Other Liabilities	-	-	1,899	-	-	1,800
	Total	**-**	**-**	**5,25,217**	**-**	**-**	**4,78,289**

2 Fair value hierarchy

The hierarchy levels used for Fair value measurements of Financial instruments wherever applicable is given below:

	Particulars	Note	As at 31 March 2026			As at 31 March 2025		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I	**Financial Assets and Liabilities measured at Fair value – recurring fair value measurements**							
A	Financial Assets							
i	Financial Investments at FVPL	6	-	61,125	-	-	56,800	-
ii	Financial Investments at FVOCI - Unquoted	6	-	-	19	-	-	18
II	**Financial Assets and Liabilities which are measured at Amortised Cost**		No separate Fair value is disclosed as the Carryingvalue of these Assets and Liabilities represents their Fair Value.					

Level 1: Level 1 hierarchy includes Financial instruments measured using quoted prices.

Level 2: The fair value of Financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case of unlisted equity shares.

3 Valuation technique used to determine Fair Value [Parent company] :-

a. LIC Investment - (Level 2)

Based on valuation report of the Scheme provided by LIC.

b. Mana Effluent Treatment Plant Ltd - (Level 3)

BEL has invested in equity securities of Mana Effluent Treatment Plant Ltd. which is an unlisted company. The Company's cost of investment in Mana Effluent Treatment Plant Ltd is only ₹ 5 (out of issued Share Capital of ₹ 205). The company has opted for Net Asset Value method for fair valuation.

Consolidated Notes to Accounts

(₹ in lakhs)

Note 34 - Financial risk management

i. Risk Management framework and policies

The Group 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.

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

The parent company has a centralised Treasury function which is responsible to undertake appropriate measures to mitigate financial risk in accordance with the policies and procedures formulated by the Board. Hedging transactions are undertaken by a team with appropriate skills and experience in consultation with an external expert. The Group does not trade in derivatives for speculation.

ii. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates will affect the Group'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 Group'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

The Group 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, Euro, Great Britain Pound, Swiss franc and Japanese Yen. Foreign exchange risk arises from existing and future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

The Group has a Board approved currency risk management policy implemented by a Risk Management Committee that reviews the Company's exposure to this risk on a regular basis. The Risk Management Policy recommends hedging upto 50% of the open foreign currency exposure. However the decision to enter into a hedging arrangement is made by the Risk Management Committee based on the relevant data inputs and the advice of the external specialist consultant retained for this purpose.

The Parent Company's export proceeds are realised mostly by remittance into an Export Earners Foreign Currency account (EEFC) which is then utilised for payments to be made in foreign currency, thereby mitigating the currency risk on exports. Imports to the extent of around 17% (13%) of annual foreign exchange outgo are not covered by the Exchange Rate Variation (ERV) clause in the related customer contract and hence are open to currency risk. These imports are benchmarked as per the policy and appropriate decision on covering the risk is taken on a case to case basis. The Company's currency risk policy advocates forward contract hedging for mitigating risk wherever required.

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(₹ in lakhs)

As on 31 March 2026, there are no outstanding forward contracts.

The Group's exposure to foreign currency risk in respect of major currencies is given below :

Particulars	As at 31 March 2026					As at 31 March 2025				
	USD	EURO	GBP	CHF	J Yen	USD	EURO	GBP	CHF	J Yen
Trade Payable	1,196	350	24	6	-	1,475	547	15	10	663
Trade Receivable / Contract Asset	492	85	-	-	-	467	56	-	-	-
Net Exposure	**704**	**265**	**24**	**6**	**-**	**1,008**	**491**	**15**	**10**	**663**

iv. Foreign Currency sensitivity

The sensitivity of profit or loss to changes in the exchange rate arises mainly from foreign currency denominated financial instruments. The sensitivity to variations in respect of major currencies is given below. This analysis assumes that all other variables remain constant.

Particulars	Impact on Profit - Loss / (Gain)	
	As at 31 March 2026	As at 31 March 2025
USD – Increase by 5%	3,368	4,356
USD – Decrease by 5%	(3,368)	(4,356)
EURO – Increase by 5%	1,461	2,329
EURO – Decrease by 5%	(1,461)	(2,329)
GBP – Increase by 5%	152	84
GBP – Decrease by 5%	(152)	(84)
CHF – Increase by 5%	36	50
CHF – Decrease by 5%	(36)	(50)

v. Interest rate risk

Interest rate risk can be either 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 rates.

vi. Variable Rate Borrowing:

The parent company has been sanctioned a working capital limit of ₹ 5,00,000 (₹ 5,00,000). The sanctioned limit includes fund based limit of ₹ 50,000 (₹ 50,000) and non fund based limit of ₹ 4,50,000 (₹ 4,50,000). The fund based limit of ₹ 50,000 has not been utilised during the year [Outstanding as on 31 March 2026 is Nil (31 March 2025 is Nil)].The outstanding balance as on 31 March 2026 with respect to non fund based limit is ₹ 3,16,300 (₹ 2,80,100). The interest is payable based on SBI's 3 months MCLR rate. As the borrowing is nil there is no impact on likely change in interest rates.

In case of subsidiary company [BELOP] has also been sanctioned fund based and non-fund based working capital limits of ₹ 2,500 by the consortium bankers of SBI (Lead Bank) and Axis Bank. The rate of interest is 9.80% p.a. (SBI). The rate of interest charged by SBI and Axis Bank are linked to their base rate which is subject to fluctuations. Outstanding as on 31 March 2026 is Nil in respect of which interest payable is based on SBI and Axis Bank's base rate (as per the terms and conditions, both SBI and Axis Bank are eligible to reset the interest charged on periodic basis).

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(₹ in lakhs)

vii. Equity Price Risk

The Group's exposure to equity price risk is negligible as its equity investment (other than in Associate) is negligible.

viii. Liquidity Risk

Liquidity Risk is the risk that a Group 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 Group's exposure to liquidity risk is very minimal as it has a prudent liquidity risk management process in place which ensures maintaining adequate cash and marketable securities to pay its liabilities when they are due. To ensure continuity of funding, the group has access to short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements and growth needs when necessary.

The Group meets its liquidity requirement mainly through internally generated cash flows which is monitored centrally by treasury. There is an established process of rolling cash forecasts from various operating units which form the basis for mapping expected cash inflows, to meet the liabilities.

The table below analyses the Group's financial liabilities based on their contractual maturities. The amounts disclosed are contractual undiscounted cash flows.

As at 31 March 2026

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 year	Between 2 & 5 year	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,80,904	30,107	47,329	-	-	-	3,58,340
Interest accrued and due on Trade Payables	7	-	-	-	-	-	7
Other Lease Liability	101	87	115	172	550	5,521	6,546
Other Financial Liabilities	1,13,554	7,943	30,380	1,778	6,273	396	1,60,324

As at 31 March 2025

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 & 2 year	Between 2 & 5 year	More than 5 years	Total
Borrowings	-	-	-	-	-	-	-
Trade Payables	2,82,114	25,327	26,414	22	-	-	3,33,877
Interest accrued and due on Trade Payables	19	-	-	-	-	-	19
Other Lease Liability	72	69	120	170	289	5,404	6,124
Other Financial Liabilities	1,04,741	12,026	19,892	1,570	41	-	1,38,270

The Group does not have any outstanding derivatives as on 31March 2026.

ix. 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.

Consolidated Notes to Accounts

(₹ in lakhs)

The credit risk of the Parent Company is managed at a corporate level by the risk management committee which has established the credit policy norms for its customers and other receivables. 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.

In a few cases credit is extended to customers based on market conditions after assessing the solvency of the customer and the necessary due diligence to determine credit worthiness. Advance payments are made against bank guarantee which safeguards the credit risk associated with such 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.

The cash and cash equivalent with banks are in the form of short term deposits with maturity period of upto 1 year in case of parent company. The Parent Company has a well structured Risk Mitigation Policy whereby there are preset limits for each bank based on its net worth and earning capacity which is reviewed on a periodic basis. The Parent 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 are mostly due from government department / parties.

x. Capital Management

The Group's Capital Management objective is to maintain a strong capital base to provide adequate returns to the shareholders and ensure the ability of the company to continue as a going concern. The Group has a conservative approach for raising capital through debt but reserves the right to leverage this alternative at an appropriate time to fuel growth and maintain optimal capital structure.

As part of this overall objective, the Parent Company has expanded capital base by issuing bonus shares in FY 2022-23. The Parent company has a well defined Dividend Distribution Policy which lays the framework for payments of dividend and retention of surplus for future growth and enhancing shareholders wealth. The parent Company has been sanctioned borrowing limits with banks to the tune of ₹ 5,00,000 (₹ 5,00,000).

Gearing Ratio: -

Particulars	As at 31 March 2026	As at 31 March 2025
Net Debt	-	-
Total Equity	23,98,831	19,97,389
Net Debt to Equity Ratio	-	-

Consolidated Notes to Accounts

(₹ in lakhs)

Note 35 - Assets pledged as security

The carrying amounts of assets pledged as security for Working Capital borrowings are:

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Inventories	10,17,553	9,11,898
(ii) Trade Receivables	12,87,576	9,11,637
(iii) Cash & Cash Equivalents	1,88,796	71,344
(iv) Bank Balances [Other than (iii) above]	6,55,233	8,78,203
(v) Loans	175	147
(vi) Other Financial Assets	16,004	24,133
(vii) Other Current Assets	5,84,721	6,15,334
Total current assets pledged as security	**37,50,058**	**34,12,696**

Refer Note No. 18 for the details of borrowings.

In case of Subsidiary Company BELOP, the working capital are also secured by first pari passu charge by way of equitable mortgage on Land and Building.

Note 36 - Critical estimates and judgments [Parent Company]

While preparing the consolidated financial statements, management has made certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and Estimates that have a significant risk of resulting in a material adjustment are as under:

i. Research and Development Expenditure - Accounting Policy No. 10 - (Refer Note 5 and 12)

Developmental expenditure incurred with respect to No Cost No Commitment (NCNC) Projects and Joint developmental projects which are not fully compensated by the development partner are carried forward till the completion of project.

ii. Estimation of defined benefit obligation - Key actuarial assumptions - (Refer Note21)

iii. Estimation of provision for warranty claims - (Refer Note 21)

Warranty provision computation involves estimation of average warranty cost based on trend based analysis. If the estimations made varies, the same will impact the expense recognised.

iv. Recognition of Revenue - (Refer Note 23)

Input methods towards performance obligations over time involves estimation of Stage of completion based on actual costs incurred to the estimated total costs expected to complete the contract. If the estimations made varies, the same will impact the Revenue recognised.

Consolidated Notes to Accounts

(₹ in lakhs)

v. Intangible assets (Refer Note 4 and 5)

Amount carried forward as other intangible assets and intangible assets under development are tested for impairment annually with respect to certainty of future economic benefits.

vi. Lease (Refer Note 1)

The company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of lease requires significant judgements. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

Note 37 - Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

For the year ended March 31, 2026, MCA has not issued any such notification that would have been applicable from April 1, 2026.

Income Tax Act 2025:

During 2025-26, Goverment of India amended the Income Tax Act and new Income Tax Act, 2025 is effective from 1 April, 2026. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Material Accounting Policies on Ind AS Consolidated Financial Statements

Corporate Information

The accompanying financial statements comprise the financial statements of Bharat Electronics Limited (the Holding Company). The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Bharat Electronics Limited's shares are listed on two recognised stock exchanges in India. The registered office and principal place of Business of the Company is located at Bengaluru, Karnataka, India.

The Company is a public sector enterprise under the administrative control of the Department of Defence Production, Ministry of Defence. Bharat Electronics Limited manufactures and supplies electronic equipment and systems to defence sector. Other than defence sector, the Company has also got a limited presence in the civilian market.

Material Accounting Policies

1. Basis of Preparation

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

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability and contingent assets as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account of 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:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- 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 recognised 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 over time**

a. Revenue is recognised overtime where the transfer of control of goods or services take places over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

Material Accounting Policies on Ind AS Consolidated Financial Statements

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. In case of AMC contracts, where passage of time is the criteria for satisfaction of performance obligation, revenue is recognised using the output method.

iii. **Satisfaction of performance obligation at a point in time**

a. In respect of cases where the transfer of control does not take place over time, 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 is 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

iv. **Measurement**

a. Revenue is recognised 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. In case where the contracts involve multiple performance obligations, the company allocates the transaction price to each performance obligation on the relative stand-alone selling price basis.

Bundled Contracts - In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies the recognition criteria to separately identifiable components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on stand-alone selling price.

Multiple Elements - In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction and allocates the revenue to those separate components based on their stand-alone selling price.

c. If the stand-alone selling price is not available the company estimates the stand alone selling price.

v. **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.

vi. **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. Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

iii. Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increase in rentals are in line with expected inflation or otherwise justified.

iv. Duty Drawbacks

Duty drawback claims on exports are accounted on accrual basis.

v. Other Income

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

6. Property, Plant and Equipment, Capital Work-in-Progress

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and cumulative 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.

The cost of property, plant and equipment not ready for their intended use as at each reporting 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.

7. Intangible Assets, Intangible Asset under Development

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an Intangible Asset in the books of account when the same is ready for use. Intangible Assets that are not yet ready for their intended use as at the reporting date are classified as "Intangible Assets under Development".

Material Accounting Policies on Ind AS Consolidated Financial Statements

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 Asset under Development includes amount funded by the company to external agencies towards developmental project(s) and expenditure incurred by the company towards material cost, employee cost and other direct expenditure.

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.

8. Depreciation / Amortisation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The Company, based on technical assessments, depreciates certain items of building, plant and equipment and other asset classes over estimated useful lives which are different from the useful life 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 basis over its estimated useful life.

The residual values, useful lives and methods of depreciation / amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The residual values, useful lives and amortisation methods, are reviewed at each financial year end and adjusted prospectively, if appropriate.

9. 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 and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the property, plant and equipment) is included in the statement of profit and loss when the property, plant and equipment is derecognised.

10. Research and Development Expenditure

(i) Expenditure on Research activity is recognised 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.

Development expenditure incurred in respect of Joint development projects which are not fully compensated by the development partner are carried forward where the company is nominated as a production agency and future economic benefits are expected.

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) Expenditure incurred on Developmental projects for participating in No Cost No Commitment (NCNC) trials, based on Request for Quote from customer, are carried forward till conclusion of the trials and will be amortised over the orders to be received.

In case customer order is immediately not forthcoming:

- the amount is capitalised if further economic benefit is expected from its use, or
- the amount is charged off in the event of the project being closed by the customer / end user without any commitment to place order.

11. 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 either separately on its own or in combination with other assets / expenses.

12. Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset in determining fair value less costs of disposal.

Reversal of impairment provision is made when there is an increase in the estimated service potential of an asset or Cash Generating Unit (CGU), either from use or sale, on reassessment after the date when impairment loss for that asset was last recognised.

14. 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.

Material Accounting Policies on Ind AS Consolidated Financial Statements

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.

Company as a lessor:

Leases are classified as operating lease or a finance lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease :

At commencement date, amount equivalent to the "net investment in the lease" is presented as a Receivable. The implicit interest rate is used to measure the value of the "net investment in Lease".

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the Statement of Profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in Lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109 – Financial Instruments.

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

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis, if required.

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

15. 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.

16. Government Grants

Grants from Government are measured at fair value and initially recognised as Deferred Income.

The amount lying in Deferred Income on account of acquisition of Fixed Asset is transferred to the credit of Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

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

17. Inventories

All inventories of the Company other than disposable scrap are valued at lower of cost or net realisable value.

Material Accounting Policies on Ind AS Consolidated Financial Statements

Disposable scrap is valued at estimated net realisable value. Cost of materials is ascertained by using the weighted average cost formula.

Cost of Work - in - progress and finished goods include Materials, Direct Labour and appropriate overheads.

Adequate provision is made for inventory which are more than five years old which may not be required for further use.

18. 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 in other comprehensive income or equity is recognised in other comprehensive income or equity respectively and not in the statement of profit and 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.

19. Provision for Warranties

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

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

20. Foreign currency transactions and translation

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 to the functional currency by using the closing exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

21. Employee Benefits

(i) All employee benefits payable wholly within twelve months of rendering the related services are classified as short term employee benefits and they mainly include (a) Wages & Salaries; (b) Short-term compensated absences; (c) Profit-sharing, incentives and bonuses and (d) Non-monetary benefits such as medical care, subsidised transport, canteen facilities etc., which are valued on undiscounted basis and recognised during the period in which the related services are rendered.

(ii) Incremental liability for payment of long term compensated absences such as Annual Leave, Sick Leave and Half Pay Leave is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit method and the carrying value of the provision contained in the balance sheet and provided for.

(iii) Incremental liability for payment of Gratuity and Employee Provident fund to employees is determined as the difference between present value of the obligation determined annually on actuarial basis using Projected Unit Credit Method and the Fair Value of Plan Assets

Material Accounting Policies on Ind AS Consolidated Financial Statements

funded in an approved trust set up for the purpose for which monthly contributions are made in the case of provident fund and lump sum contributions in the case of gratuity.

(iv) Incremental liability under BEL Retired Employees Contributory Health Scheme (BERECHS) is determined annually on actuarial basis using Projected Unit Credit Method and provided for.

(v) Actuarial liability for the year is determined with reference to employees at the end of January of each year.

(vi) 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 (asset) is computed by applying the discount rate, used to measure the net defined liability (asset), to 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 and loss.

(vii) Payments of voluntary retirement benefits are charged off to revenue on incurrence.

(viii) Defined Contribution Plan

The Company operates employee pension scheme and superannuation pension scheme for its employees that are categorised as a defined contribution plans. For defined contribution plans, the Company pays contributions to independently administered funds at a fixed percentage of employees' pay. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

22. Provisions

A. Provisions

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

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.

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 recognised as a finance cost.

B. Contingent Liabilities/Assets

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

23. Cash Flow Statement

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

Material Accounting Policies on Ind AS Consolidated Financial Statements

24. Fair value Measurement

The Company measures certain financial instruments, such as derivatives and other items in it's financial statements at fair value at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

25. Financial Assets

(i) Initial Recognition and Measurement

All financial assets are recognised 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.

(ii) Subsequent Measurement

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

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

(iii) Derecognition

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

(iv) Trade 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.

26. Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments 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.

27. Embedded Derivative

The embedded derivative, if required, is separated from host contract and measured at fair value.

28. 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.

29. 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.

Material Accounting Policies on Ind AS Consolidated Financial Statements

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 and loss.

30. 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 to them.

(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 and 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 (EIR). Gains and losses are recognised as profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

(iv) Trade and Other Payables

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

31. 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.

32. 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.

33. Cash Dividend and Non-Cash distribution to Equity Holders

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.

34. Errors and Estimates

The Company revises it's 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, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

Material Accounting Policies on Ind AS Consolidated Financial Statements

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.

35. 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 period, 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.

36. 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.

37. Principles of Consolidation

The financial statements of the Holding Company together with the audited financial statements of its subsidiary companies and step down subsidiary company have been combined on a line-by-line basis by adding together all the items of assets, liabilities, income and expenses after eliminating all the intra group balances and transactions. Interest in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and Other Comprehensive Income of equity accounted investees until the date on which significant influence ceases.

The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Holding Company and its share in the post - acquisition increase in the relevant increase of the subsidiary companies and step down subsidiary company.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's financial statements.

The excess of cost to the company of its investments in subsidiary companies and step down subsidiary company over its share of the equity of the subsidiary companies and step down subsidiary company at the date on which the investments are made, is recognised as "Goodwill on consolidation" being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies and step down subsidiary company as on the date of the investment is in excess of cost of investment of the Holding Company, it is recognised as "Capital reserve" and shown under the head "Reserves and surplus", in the consolidated financial statements.

As per our report of even date attached.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
Chairman & Managing Director
DIN : 09749046

Damodar Bhattad S
Director (Finance) & CFO
DIN : 09780732

S Sreenivas
Company Secretary
Membership No. : F4686

Form AOC-I

(₹ in lakhs)

Part "A": Subsidiaries

Sl. No.	Particulars		
1	Name of the subsidiary	BEL Optronic Devices Limited	BEL Thales Systems Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4	Share capital	9,322	5,762
5	Reserves & surplus	20,807	1,481
6	Total Assets	37,842	14,372
7	Total Liabilities	7,713	7,129
8	Investments	-	-
9	Turnover	10,989	14,648
10	Profit before taxation	842	131
11	Provision for taxation	260	33
12	Profit after taxation	582	98
13	Proposed Dividend	175	214
14	% of shareholding	100%	74%
1	Names of subsidiaries which are yet to commence operations	NIL	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	NIL	NIL

(₹ in lakhs)

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	GE BE Private Limited	BEL IAI Aerosystems Private Limited	Defence Innovation Organisation	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	UAS Testing Foundation	LENS Foundation
1	Latest audited Balance Sheet Date	31 March 2026	31 March 2026	31 March 2026	31 March 2026	31 March 2026	31 March 2026	31 March 2026
2	Shares of Associate held by the company on the year end							
	No.	26,00,000	1,64,000	50	46,960	41,811	30,000	1,54,575
	Amount of Investment in Associate	260	164	1	470	418	300	155
	Extend of Holding %	26%	40%	50%	40%	40%	20%	15%
3	Description of how there is significant influence	Voting Rights	Voting Rights	Voting Rights	Voting Rights	Voting Rights	Voting Rights	Voting Rights
4	Reason why the Associate is not consolidated	Not applicable	Not applicable	*	*	*	*	*
5	Networth attributable to Shareholding as per latest audited Balance Sheet (unaudited)	17,410	76	-	-	-	-	-
6	Profit / Loss for the year (unaudited)							
	i. Considered in Consolidation	4,000	(69)	-	-	-	-	-
	ii. Not Considered in Consolidation	-	-	-	-	-	-	-
1	Names of Associate which are yet to commence operations						NIL	NIL
2	Names of Associate which have been liquidated during the year						NIL	NIL

* Do not exercise any control and also do not have any right on variable returns other than equity investment.

For **Rao & Emmar,**
Chartered Accountants
Firm Regn No. 003084S

Praveen B J
Partner
Membership No. 215713

Dharamshala
19 May 2026

Manoj Jain
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भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY, TECHNOLOGY, INNOVATION

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