



भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS

भारत इलेक्ट्रॉनिक्स लिमिटेड

(भारत सरकार का उद्यम, रक्षा मंत्रालय)

पंजीकृत कार्यालय :

आउटर रिंग रोड, नागवारा, बेंगलूर - 560 045, भारत

Bharat Electronics Limited

(Govt. of India Enterprise, Ministry of Defence)

Registered Office : Outer Ring Road,

Nagavara, Bangalore - 560 045, INDIA.

CIN : L32309KA1954GOI000787

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वेब/Web : www.bel-india.com

February 1, 2018

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
BandraKurla Complex Bandra, East,
Mumbai, Maharashtra- 400051

No. 17565/4/SE/NSE/SEC

Symbol: BEL, ISIN: INE263A01024

Sub: Submission of Public Announcement for Buyback of equity shares of Bharat Electronics Limited ("Company")

Dear Sir/Madam,

This is further to our intimation dated January 30, 2018, where the Company has informed that the Board of Directors of the Company have approved the proposal to Buyback fully paid up Equity Shares of the Company from the existing shareholders/ beneficial owners as on Record Date on a proportionate basis through the Tender Offer process.

In this connection please note that today i.e. February 1, 2018, the Company has published the Public Announcement of BuyBack in Business Standard (English – All editions), Business Standard (Hindi – All editions) and Vaartha Bharathi (Kannada - Bangalore edition) pursuant to Securities & Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ("**Buyback Regulations**"). The copy of the said Public Announcement is enclosed for your reference and dissemination on the Stock Exchanges.

Thanking you,

Yours faithfully,

For Bharat Electronics Limited

S Sreenivas
Company Secretary

Encl: As mentioned above.



BHARAT ELECTRONICS LIMITED

Registered & Corporate Office: Outer Ring Road, Nagavara, Bangalore – 560 045, Karnataka, India | Tel: (080) 2503 9266 | Fax: (080) 2503 9266 | Email: secretary@bel.co.in | Website: www.bel-india.com | CIN: L32309KA1954G01000787

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF BHARAT ELECTRONICS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buyback Regulations") and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 2,03,97,780 (TWO CRORE THREE LAKHS NINETY SEVEN THOUSAND SEVEN HUNDRED EIGHTY) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AT A PRICE OF ₹ 182.50 (RUPEES ONE HUNDRED EIGHTY TWO AND FIFTY PAISE ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors (the "Board") of Bharat Electronics Limited ("Company") passed a resolution on January 30, 2018 ("Board Meeting") to approve the proposal of buyback of fully paid-up equity shares of face value of ₹ 1 each ("Shares" or "Equity Shares") of the Company not exceeding 2,03,97,780 (Two Crore Three Lakhs Ninety Seven Thousand Seven Hundred Eighty) Equity Shares from the equity shareholders beneficial owners of Equity Shares (the "Equity Shareholders" / "Shareholders") of the Company as on Record Date (hereinafter defined), on a proportionate basis, through tender offer route (the "Buyback" / "Buyback Offer") at a price of ₹ 182.50 (Rupees One Hundred Eighty Two and Fifty Paise only) per Equity Share ("Buyback Price" / "Buyback Offer Price") payable in cash, for an aggregate maximum consideration not exceeding ₹ 372,25,94,850 (Rupees Three Hundred Seventy Two Crore Twenty Five Lakhs Ninety Four Thousand Eight Hundred and Fifty only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. (the "Buyback Offer Size"). The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI"), the BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE" and together with BSE, the "Stock Exchanges").

1.2 The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules") to the extent applicable and in accordance with Article 6A of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchanges where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and / or any committee thereof. The Buyback would be undertaken in accordance with SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR/2/CIR/P/2016/131 dated December 09, 2016 (the "SEBI Circulars"), which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window. For the purpose of this Buyback, BSE would be Designated Stock Exchange.

1.3 In accordance with the provisions of the Companies Act, the Buyback Size which is not exceeding ₹ 372,25,94,850 (Rupees Three Hundred Seventy Two Crore Twenty Five Lakhs Ninety Four Thousand Eight Hundred and Fifty only) represents 5.00% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2017 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per standalone audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act. Since the Company proposes to Buyback up to 2,03,97,780 (Two Crore Three Lakhs Ninety Seven Thousand Seven Hundred Eighty) Equity Shares representing 0.83% of the total number of Equity Shares in the total paid-up share capital of the Company, the same is within the aforesaid 25% limit as per the provisions of the Companies Act.

1.4 The maximum amount required by the Company for the said Buyback aggregating to ₹ 372,25,94,850 (Rupees Three Hundred Seventy Two Crore Twenty Five Lakhs Ninety Four Thousand Eight Hundred and Fifty only), and is within permitted limits. The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

1.5 The Buyback offer price of ₹ 182.50 (Rupees One Hundred Eighty Two and Fifty Paise only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price of ₹ 182.50 (Rupees One Hundred Eighty Two and Fifty Paise only) per Equity Share represents (i) premium of 3.60% on BSE and 3.61% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback; (ii) premium of 5.07% on BSE and 5.16% on NSE over the closing market price of the Equity Shares on BSE and NSE as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback.

1.6 The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

1.7 The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, Stock Exchange fees, advisors fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.

1.8 A copy of this Public Announcement is available on the Company's website (www.bel-india.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of Stock Exchanges (www.bseindia.com) and (www.nseindia.com).

2. NECESSITY FOR BUY BACK

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term

28.08.1994	(10,00,000)	13,50,00,000	Disinvestment: Unit Trust of India
08.09.1994	(4,40,000)	7,09,50,000	Disinvestment: Canara Bank
27.03.2014	(6,73,741)	65,10,99,148	Disinvestment: Off-Market – CPSE ETF
08.04.2015	(1,649)	53,54,198	Disinvestment: Off-Market – Loyalty Bonus of CPSE ETF
19.9.2015	12,00,28,420	Other than Cash	Bonus Shares: 2:1 (2 Shares for every 1 equity Shares)
28.10.2016	(1,38,28,771)	1804,65,46,155	Buyback of Equity Shares
25.01.2017	(18,95,079)	269,50,08,586 (Refer Note No. 2)	Disinvestment: Off-Market – CPSE ETF FFO_1
22.02.2017	(89,34,511)	13,42,63,37,765 (Refer Note No. 3)	Offer for Sale through Stock Exchange Mechanism - Promoter
23.02.2017	(22,33,628)	331,93,33,546 (Refer Note No. 3)	Offer for Sale through Stock Exchange Mechanism - Promoter
18.03.2017	153,15,06,410	N.A.	Split of Equity Shares in the ratio of 10:1 (i.e., t the Sub-Division of 1 fully paid Equity Share of nominal Face Value of ₹ 10 each into 10 fully paid Equity Shares of nominal Face Value of ₹ 1 each) i.e. 15,31,50,641 Equity Shares of ₹ 10 each split into 153,15,06,41 Equity Shares of ₹ 1 each
22.03.2017	(84,63,499)	131,73,54,481 (Refer Note No. 2)	Disinvestment: Off-Market – CPSE ETF FFO_2
13.09.2017	(55,84,069)	79,51,71,426 (Refer Note No. 4)	Offer for Sale - Employees Portion
03.10.2017	15,17,45,884	Other than Cash	Bonus Shares 1:10 (1 Equity Share for every 10 Equity Shares held)
23.11.2017	(2,98,84,329)	518,71,73,402 (Refer Note No. 2)	Disinvestment: Off-Market – Bharat ETF 22
Total as on 30.01.2018	163,93,20,397		

Notes:

- In the first round of disinvestment of 20% of Bharat Electronics Limited ("BEL") Equity Shares, as per information available in BEL records, the valuation of shares was done in respect of approved list of 31 PSEs as per the methodology of valuation of shares as approved by Cabinet Committee on Economic Affairs ("CCEA") in consultation with Ministry of Finance. It is understood that the shares were made up of basket of shares of different Public Sector Enterprises bundled together and BEL has no information on the price at which BEL shares were disinvested in 1992 and the amount realized by the Government of India.
- For CPSE Exchange Traded Fund & Bharat ETF 22, separate pool of equity shares were created, which consisted of basket of equity shares of different Central Public Sector Enterprises ("CPSEs") along with BEL equity shares.
- The sale of Equity Shares were carried out through the offer for sale through stock exchange mechanism by the Promoter on BSE & NSE on price priority basis. The total consideration is calculated based on gross price per equity share.
- The Offer for sale of Equity Shares of Bharat Electronics Limited by the Promoter to the eligible employees of the Company as per the approval given by the Cabinet Committee on Economic Affairs on May 13, 2015 ("Employees Offer") at ₹ 142.40 per equity share.
- The Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference Shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

5. The Board has confirmed on the date of Board Meeting (i.e. January 30, 2018) that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

6. The text of the report dated January 30, 2018 received from Suri & Co., Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote

"To,

The Board of Directors

Bharat Electronics Limited

(Govt. of India, Ministry of Defence)

Outer Ring Road, Nagavara, Bangalore – 560 045, India.

Dear Sirs,

Sub: Report in terms of Clause (xi) of Part A of Schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended).

We, Suri and Co, Chartered Accountants, the Statutory Auditors of Bharat Electronics Limited (the "Company"), have been informed that the Board of Directors of the company in their meeting held on 30th January 2018 have decided to buy back Company's fully paid up equity shares as allowed under Section 68, 69 and 70 of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 and subsequent amendments thereof and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, ("Buyback Regulations") at a price of ₹ 182.50 per equity share. In terms of the requirements of Clause (xi) of Schedule II to Part A of the Buyback Regulations, we have examined the Company's audited accounts for the year ended March 31, 2017 on standalone basis and according to the information and explanations given to us and on the basis of verification of relevant records as we consider appropriate, we report that:

(i) We have inquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2017 as approved by the Board of Directors in the meeting held on May 29, 2017:

c. The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Designated Stock Exchange / Clearing Corporation.

d. For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order / bid by custodians. The custodian shall either confirm or reject the orders not later than close of trading hours on the last day of tendering period (i.e. date of closing of the Buyback Offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

e. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Equity Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Equity Shares tendered etc.

7.7. Procedure to be followed by equity Shareholders holding Equity Shares in the physical form:

a. Equity Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) original share certificate(s), (ii) valid share transfer form(s)/ Form SH 4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of PAN Card(s) of all holders, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, if the address of the Equity Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Equity Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

b. Based on these documents, the concerned Shareholder Broker shall place an order/bid on behalf of the physical Equity Shareholders who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Equity Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

c. Any Shareholder Broker/Equity Shareholder who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback Offer i.e. Integrated Registry Management Services Private Limited (at the address mentioned at paragraph 11 below) not later than 2 (two) days from the offer closing date. The envelope should be super scribed as "Bharat Electronics Limited – Buyback Offer 2018". One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

d. Equity Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback Offer will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback Offer confirms the bids, they will be treated as 'confirmed bids'.

7.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.

7.9 The cumulative quantity tendered shall be made available on BSE website i.e. www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

8. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

8.1 The Company will transfer the funds pertaining to the Buyback to the ICCL's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, ICCL will make direct funds payout to respective eligible Equity Shareholders. If Shareholders' bank account detail are not available or if the funds transfer instruction is rejected by Reserve Bank of India ("RBI") / Bank, due to any reason, then such funds will be transferred to the concerned Shareholder Broker settlement bank account for onward transfer to their respective shareholders.

8.2 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.

8.3 The Equity Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

8.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by ICCL. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.

8.5 Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Equity Shareholders directly by Registrar to the Buyback Offer. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the Physical form.

8.6 The settlement of fund obligation for dematerialized and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by stock exchange and ICCL from time to time. ICCL would settle the trades by making direct funds payout to the Equity Shareholders and the Shareholder Broker would issue contract note to the Company for the Equity Shares accepted under the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Equity Shareholders' bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Shareholder Broker for onward transfer to the Equity Shareholder.

8.7 Equity Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Equity Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders, in respect of accepted

- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
- v. Optimizes the capital structure.
- After considering the above mentioned factors and benefits to the Equity Shareholders, the Board decided to recommend Buyback of not exceeding 2,03,97,780 (Two Crore Three Lakhs Ninety Seven Thousand Seven Hundred Eighty) Equity Shares (representing 0.83% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 182.50 (Rupees One Hundred Eighty Two and Fifty Paise only) per Equity Share for an aggregate consideration of not exceeding ₹ 372,25,94,850 (Rupees Three Hundred Seventy Two Crore Twenty Five Lakhs Ninety Four Thousand Eight Hundred and Fifty only).

3. DETAILS OF PROMOTER SHAREHOLDING

- 3.1 The aggregate shareholding of the Promoter of the Company, as on the date of the Board Meeting i.e. Tuesday, January 30, 2018 is given below:

Name of Shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of Issued Equity Share capital
The President of India acting through Ministry of Defence, Government of India	1,63,93,20,397	1,63,93,20,397	66.72%
Total	1,63,93,20,397	1,63,93,20,397	66.72%

- 3.2 No shares or other specified securities in the Company were either purchased or sold by the Promoter during a period of six months preceding the date of the Board Meeting at which the Buyback was approved, except as stated under.

Date of Transaction	Aggregate number of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
13.09.2017	(55,84,069)	Offer for Sale - Employees Portion*	142.40	13.09.2017	142.40	13.09.2017
23.11.2017	(2,98,84,329)	Disinvestment: Off-Market - Bharat ETF 22*	173.58	23.11.2017	173.58	23.11.2017

*Off market Transaction

- 3.3 In terms of the Buyback Regulations, under the Tender Offer route, the promoter and promoter group of the Company have an option to participate in the Buyback. In this regard, the Promoter as listed in paragraph 3.1 above have expressed their intention, vide their letter dated January 30, 2018 to participate in the Buyback and tender up to an aggregate maximum number of 2,03,97,780 (Two Crore Three Lakhs Ninety Seven Thousand Seven Hundred Eighty) Equity Shares.

- 3.4 Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by Promoter vide its letter dated January 30, 2018, are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition / Sale Consideration (₹)	Nature of Transaction / Consideration
07.02.1954	50,000	5,00,00,000	Acquisition: Initial investment by the Promoter
11.10.1959	15,000	1,50,00,000	Acquisition: Investment by the Promoter
02.07.1974	4,600	46,00,000	Acquisition: Investment by the Promoter
01.02.1978	15,000	1,50,00,000	Acquisition: Investment by the Promoter
27.11.1978	15,400	1,54,00,000	Acquisition: Investment by the Promoter
01.01.1980	15,000	1,50,00,000	Acquisition: Investment by the Promoter
21.01.1981	15,000	1,50,00,000	Acquisition: Investment by the Promoter
16.04.1981	40,000	4,00,00,000	Acquisition: Investment by the Promoter
27.03.1984	20,000	2,00,00,000	Acquisition: Investment by the Promoter
29.01.1985	50,000	5,00,00,000	Acquisition: Investment by the Promoter
28.02.1985	50,000	5,00,00,000	Acquisition: Investment by the Promoter
27.03.1985	20,000	2,00,00,000	Acquisition: Investment by the Promoter
19.12.1985	40,000	4,00,00,000	Acquisition: Investment by the Promoter
03.07.1986	80,000	8,00,00,000	Acquisition: Investment by the Promoter
27.11.1986	70,000	7,00,00,000	Acquisition: Investment by the Promoter
19.03.1987	40,000	4,00,00,000	Acquisition: Investment by the Promoter
31.03.1988	1,10,000	11,00,00,000	Acquisition: Investment by the Promoter
31.03.1989	1,00,000	10,00,00,000	Acquisition: Investment by the Promoter
31.03.1990	50,000	5,00,00,000	Acquisition: Investment by the Promoter
14.02.1992	8,00,00,000	80,00,00,000	Value of one equity share of ₹ 1,000 was split into 100 equity shares of ₹ 10 each
06.11.1992	(1,24,83,100)	N.A. (Ref. Note No. 1)	Disinvestment: Unit Trust of India
06.11.1992	(8,04,700)	N.A. (Ref. Note No. 1)	Disinvestment: Stock Holding Corporation of India Ltd.
06.11.1992	(3,75,500)	N.A. (Ref. Note No. 1)	Disinvestment: SBI Capital Markets Ltd.
06.11.1992	(11,80,300)	N.A. (Ref. Note No. 1)	Disinvestment: Canara Bank
06.11.1992	(9,71,300)	N.A. (Ref. Note No. 1)	Disinvestment: Bank of India
06.11.1992	(1,85,000)	N.A. (Ref. Note No. 1)	Disinvestment: Bank of Baroda
26.08.1994	(45,000)	59,85,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	(45,000)	60,30,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	(2,70,000)	3,64,50,000	Disinvestment: United India Insurance Company Ltd.
26.08.1994	(500)	72,000	Disinvestment: Mrs G. Indira Krishna Reddy
26.08.1994	(50,000)	74,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	(55,000)	79,75,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	(55,000)	77,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	(55,000)	75,90,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	(60,000)	81,00,000	Disinvestment: The Oriental Insurance Co. Ltd.
26.08.1994	(50,000)	68,00,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	(1,00,000)	1,46,00,000	Disinvestment: Stock Holding Corporation of India Ltd.
26.08.1994	(50,000)	70,00,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	(35,000)	50,40,000	Disinvestment: The New India Assurance Co. Ltd.
26.08.1994	(10,00,000)	14,50,00,000	Disinvestment: Unit Trust of India

- (ii) The amount of permissible capital payments towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68 (2) (c) of the Companies Act, 2013 and Regulation 4(1) of Buyback Regulations. The amount of equity share capital and free reserves (including securities premium reserve) have been extracted from the audited financial statements of the company for the year ended March 31, 2017 is as under:

Particulars	Amount (₹ in Lakhs)
Issued, subscribed and fully paid up equity share capital:	
2,233,627,930 Equity Shares of ₹ 1 each, fully paid up *	22,336
Total – A	22,336
Free Reserves	
General reserve	279,006
Surplus in the statement of profit and loss	443,177
Total – B	722,183
Total C = A+B	744,519
Maximum amount permissible for the Buy back under Section 68 of the Companies Act, 2013 i.e. 10 % of the aggregate fully paid-up equity share capital and free reserves	74,452
Buy back Size proposed by Board of Directors	37,226
Buy back Size as percentage of aggregate of fully paid-up equity share capital and free reserves	5%

* Note: The Company has issued Bonus shares of 223,362,793 subsequent to the audited financial statements for the year ended March 31, 2017.

- (iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 30th January 2018, is unreasonable in all the circumstances in the present context.

- (iv) The Board of Directors in their meeting held on 30th January 2018, have formed the opinion in terms of Clause (xi) of Part A of the Schedule II of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from the date of Board meeting for buyback.

- (v) We are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 30th January 2018 referred to in paragraph (i) and (v) above.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement, draft letter of offer and letter of offer to be circulated to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback and should not be used for any other purpose or by any other person.

For Suri & Co.,

Chartered Accountants

Firm Registration Number: 0042835

Sd/-

Rangarajan G

Partner

Membership No.024107

Place: New Delhi

Date: January 30, 2018"

Unquote

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

- 7.1 The Buyback is open to all Equity Shareholders of the Company holding Shares either in physical and/or electronic form on the Record Date.
- 7.2 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Market & Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



IDBI Capital Markets & Securities Limited

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatla Centre, Nariman Point, Mumbai - 400 021.

Contact Person: Charushila Parkar

Tel: +91 (22) 4322 1212; Fax: +91 (22) 2285 0785; E-mail: charushila.parkar@idbicapital.com

Website: www.idbicapital.com; SEBI Registration Number: INZ000007237

- 7.4 The Company will request BSE to provide a separate acquisition window to facilitate placing of sell orders by eligible Equity Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by BSE from time to time.
- 7.5 During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by eligible Equity Shareholders through their respective stock brokers ("Shareholder Broker(s)") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for demat shares as well as physical shares.

7.6 Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialized form:

- a. Equity Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.
- b. The Shareholder Broker would be required to place an order / bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the order / bid, the eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of Indian Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay in mechanism as prescribed by BSE or ICCL prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order / bid entry.

Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Equity Shareholders.

- 8.9 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 9.1 As required under the Buyback Regulations, the Company has fixed Friday, February 9, 2018 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.

- 9.2 The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided in to two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder, who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on record date, of not more than ₹ 2,00,000 (Rupees Two Lakh Only)) and (b) the general category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

- 9.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares, which the Company proposes to buy back, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

- 9.4 On the basis of shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

- 9.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

- 9.6 The Equity Shareholders' participation in the Buyback will be voluntary. The Equity Shareholders can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Equity Shareholders may also accept a part of their entitlement. The Equity Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Equity Shareholders, if at all.

- 9.7 The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

- 9.8 The Equity Shares tendered as per the entitlement by shareholders as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.

- 9.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders as on Record Date. Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent through email along with the application form in due course to the Eligible Shareholders as on Record Date, who have their email IDs registered with the Company/ registrar and transfer agent/ depository, however, on receipt of a request by Registrar to the Buyback and Manager to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder (to whom Letter of Offer and Tender Form were emailed), the same shall be sent physically. For all remaining Eligible Shareholders who do not have their email IDs registered with the Company/Registrar to the Buyback/ depository, the Letter of Offer alongwith Tender Form will be sent physically.

10. COMPLIANCE OFFICER

Shri S. Sreenivas,

Company Secretary

Bharat Electronics Limited

Outer Ring Road, Nagavara, Bangalore – 560 045, Karnataka, India

Tel: (080) 25039266 | Fax: (080) 25039266 | Email: secretary@bel.co.in | Website: www.bel-india.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays.

11. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar to the Buyback, during office hour i.e. 10.00 a.m. to 5.00 p.m. on all working day except Saturday, Sunday and public holidays, at the following address:



INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED

No. 30 Ramana Residency, 4th Cross, Sampige Road,

Malleswaram, Bangalore – 560003.

Tel: +91 (080) 2346 0815 - 818 | Fax: +91 (080) 2346 0819

Contact Person: S Giridhar/ K Harish

E-mail: blr@integratedindia.in | Website: www.integratedindia.in

SEBI Registration No.: INR000000544 | Validity Period: Permanent Registration

CIN: U65993TN1987PLC014964

12. MANAGER TO THE BUYBACK



IDBI CAPITAL MARKETS & SECURITIES LIMITED

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatla Centre, Nariman Point, Mumbai – 400 021.

Contact Person: Priyanka Shetty / Sumit Singh

Tel No.: +91 (22) 4322 1212 | Fax No.: +91 (22) 22850785

E-mail: bharat.buyback@idbicapital.com | Website: www.idbicapital.com

SEBI Registration Number: INM000010866 | Validity period: Permanent

CIN: U65990MH1993GOI075578

13. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full and final responsibility for the information contained in this Public Announcement or any other information, advertisement, circular, brochure, publicity material which may be issued and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of Bharat Electronics Limited

Sd/-

M. V. Gowtama

Chairman & Managing Director

DIN: 07628039

Place: New Delhi

Date : January 30, 2018

Sd/-

Koshy Alexander

Director (Finance)

DIN: 07896084

Sd/-

S. Sreenivas

Company Secretary