



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

टेलीफैक्स/Telefax : +91 (80) 25039266

ई-मेल/E-mail : secretary@bel.co.in

वेब/Web : www.bel-india.com

To

Manager (Listing)

National Stock Exchange of India Ltd.,

Exchange Plaza, Plot No. C/1,G Block,

Bandra-Kurla Complex, Bandra (E)

Mumbai – 400 051

Fax No.: 022 66418125

No. 17565/6/SE/NSEC/SEC

27th May 2016

Dear Sir/Madam,

Sub: Audited Standalone and Consolidated Financial Results for the quarter/year ended 31st March 2016.

Pursuant to Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Audited Standalone and Consolidated Financial Results of the Company for the quarter/ year ended 31st March, 2016 along with Auditors' Report and Form-A.

This is for your information and record.

Thanking you,

Yours faithfully,

For Bharat Electronics Ltd.

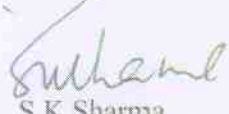
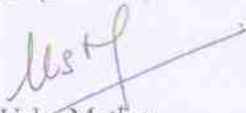
S Sreenivas

Company Secretary

Encls: As stated above.

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Bharat Electronics Limited
2.	Annual financial statements for the year ended	31st March 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	 S K Sharma Chairman & Managing Director For Badari, Madhusudhan & Srinivasan Chartered Accountants Firm Regn No. 005389S  S Rajendran Partner Membership No. 021883 Place : Bangalore Date : 27th May 2016  P R Acharya Director (Finance) & CFO  Usha Mathur Chairman, Audit Committee 	



Badari, Madhusudhan & Srinivasan
CHARTERED ACCOUNTANTS

132, Kantha Court, 2nd Floor, Lalbagh Road, Bangalore - 560 027. Tel : 22277714, 41142536 Fax : 41248456
E-mail : bmscas@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

Report on the Standalone financial statements

We have audited the accompanying standalone financial statements of **BHARAT ELECTRONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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.



Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2016.
- b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.



Other Matters

a) We did not audit the financial statements of six branches included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs 3,81,908.39 lakhs as at 31st March, 2016 and total revenues of Rs 1,81,023.18 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors, appointed by Comptroller & Audit 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 Units, is based solely on the report of such branch auditors.

b) We draw attention to Note No. 31(6) regarding disclosures required under Para 5 of Part II to Schedule III of the Companies Act, 2013 (under General Instructions for preparation of Statement of Profit and Loss) [erstwhile Para 5 of Part II to Schedule VI of the Companies Act, 1956 (under General Instructions for preparation of Statement of Profit and Loss)].

c) We draw attention to Note No. 31(12) regarding disclosure of segment information as required under AS-17.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016, issued by the Central Government in terms of sub-section 11 of section 143 of the Companies Act, 2013 and based on the comments in the auditors' report of the respective branches, we give in the annexure a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The audit of the accounts of Bangalore, Hyderabad and Chennai branches and Corporate Office has been carried out by us. In the case of New York and Singapore Offices and other offices not visited by us, and in respect of which the accounts are maintained at Corporate Office, 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 Unit's offices of the Company audited under Section 143 (8) of the Act by Branch auditors (in respect of Ghaziabad, Panchkula, Kotdwara, Pune, Navi Mumbai and Machilipatnam Units) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Company.
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the Directors as at 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company's financial statements and the operating effectiveness of such controls, a separate report is annexed (Annexure II).
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as at March 31, 2016 – Refer Note 31 (8) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



3. As required under Section 143 (5) of the Act, which is applicable to the Company, findings on the directions and sub-directions issued by Comptroller and Auditor General of India have been separately reported to the said authority.

for **BADARI, MADHUSUDHAN & SRINIVASAN**
CHARTERED ACCOUNTANTS
FIRM REG. No. 005389S


(S. RAJENDIRAN)
PARTNER
MEMBERSHIP No. 021883



Place: Bangalore
Date: May 27, 2016

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report of even date to the members of the company on the Standalone financial statements for the year ended March 31, 2016, We report that:

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us and based on our examination of records, the Management has generally carried out the physical verification of a portion of the Fixed Assets in accordance with their phased programme of physical verification, which is considered reasonable, having regard to the size of the Company and nature of its fixed assets. In accordance with the programme, certain fixed assets were verified during the year and discrepancies, if any, were properly dealt with on such verification during the year. As informed to us, no material discrepancies have been noticed on such verification during the year.

(c) As explained to us and based on our examination of records, the title deeds of immovable properties are held in the name of the company. We draw your attention to Note No. 9 to the financial statements.
- (ii) The raw materials, stores and spare parts, tools, work-in-progress, semi-finished goods and finished goods inventory (excluding stock with third parties and material in transit) have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and adequate in relation to the size of the Company and the nature of its business.

As informed to us, no material discrepancies have been noticed on such verification. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt in the books of account.

In respect of materials with sub-contractors, confirmations have been received generally and reconciled with the book records. However, in case of such items for which no confirmations have been received, which are not significant, the company has dealt with the same by making adequate provision in the books of account.



- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to one subsidiary company covered in the register maintained under section 189 of the Companies Act 2013 ("Act"). The Company has not granted loans to firms or other parties covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to its subsidiary covered in the register maintained under section 189 of the Companies Act, 2013 are not prejudicial to the company's interest.
- (b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of interest and repayment of principal as stipulated.
- (c) There is no amount overdue for more than 90 days.
- (iv) According to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from public in the current year as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- All deposits have matured and settled except for Rs.36.95 lakhs, out of which Rs.36.50 lakhs is retained as per Garnishee Order of Lokayukta, Bangalore and the balance of Rs.0.45 lakhs though matured is unpaid due to legal issues.
- In our opinion and according to the information and explanations given to us and based on our examination of records, the Company has complied with the provisions of Section 73 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) The Company pursuant to sub-section (1) of section 148 of the Companies Act for the maintenance and audit of cost records prescribed by the Central Government has maintained cost records. We are of the opinion that, prima facie, the prescribed cost accounts and cost records have been made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) (a) The Company is regular in remittance of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues. According to the information and explanation given to us, no undisputed statutory dues are outstanding as at 31 March 2016, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed amounts that remain unpaid as at 31 March 2016 for a period of more than six months from the date they became payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues with the exception of the following:

Name of statute	Nature of dues	Financial year to which amount relates	Amount (Rs in Lakhs)	Forum where dispute is pending
Sales Tax Act	Sales Tax dues	1995-96 to 1997-98, 2005-2015	4971.49	Various levels of Appellate authority
Sales Tax Act	Sales Tax dues	2000-01	361.16	Uttarakhand high court Nainital
Central Sales tax Act	Central Sales Tax (CST)	1980-81, 1991-92, 2005-06 to 2007-08, 2011-12	2194.00	Various levels of Appellate authority
Central Excise Tax	Excise Duty, Modvat Credit	1991-92	38.56	Commissioner (Appeals)
Customs Act	Customs Duty	2012-13	103.52	CESTAT
Customs Act	Customs Duty		123.23	Assistant Commissioner of Customs
Finance Act 1994-Service Tax	Service Tax	2007-08, 2009-10	113.96	CESTAT
Finance Act 1994-Service Tax	Revisionary Showcause Notice	2008-09	34.01	Commissioner
Vacant Land Tax	Vacant Land Tax	1998-99 to 2003-04	10.35	Director, Directorate of Town Panchayat, Chennai
Urban Land Tax	Urban Land Tax	1984-85 to 2002-03	41.44	Principal Commissioner and Commissioner of Land Reforms, Chennai.
ESI Act, 1948	Interest and damages towards late deposits		3.52	Punjab and Haryana High Court, Chandigarh
Total disputed amount			7995.24	
Total amount paid under protest pending final order			3426.90	

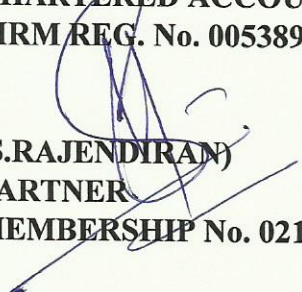


- (viii) On the basis of examination of records of the Company and information and explanations given to us, the Company has not defaulted in repayment of dues to a bank, financial institution or others.
- (ix) The requirement relating to application of moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans for the purposes for which they were raised are not applicable to the Company.
- (x) During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company or by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management, that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on the examination of records, the provisions in relation to disbursement of managerial remuneration is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The provisions in relation to compliance of Nidhi Company with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability maintenance of ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability is not applicable to the Company.
- (xiii) On the basis of examination of records of the Company and information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements vide Note No. 31(14), as required by the applicable accounting standards.
- (xiv) The provisions in relation to preferential allotment or private placement of shares or fully or partly convertible debentures during the year under pursuant to the requirement of section 42 of the Companies Act, 2013 are not applicable, since no such issues have been made by the Company.



- (xv) According to the information and explanations given to us and on the basis of examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore, the provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) The requirement of registration under section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to the Company.

for **BADARI, MADHUSUDHAN & SRINIVASAN**
CHARTERED ACCOUNTANTS
FIRM REG. No. 005389S


(S. RAJENDIRAN)
PARTNER
MEMBERSHIP No. 021883



Place: Bangalore
Date: May 27, 2016

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting of Bharat Electronics Limited ("the Company") as of March 31, 2016 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

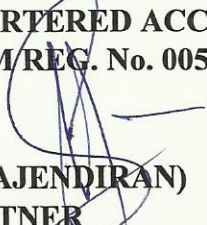
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **BADARI, MADHUSUDHAN & SRINIVASAN**
CHARTERED ACCOUNTANTS
FIRM/REG. No. 005389S


(S. RAJENDIRAN)
PARTNER
MEMBERSHIP No. 021883



Place: Bangalore
Date: May 27, 2016



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT ELECTRONICS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BHARAT ELECTRONICS LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries referred to as "the Group") and Jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Jointly controlled entities and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.



Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

a) in the case of the consolidated balance sheet, of the state of affairs of the company as at 31st March 2016.

b) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.



Other Matters

(a) We did not audit the financial statements of two subsidiaries viz BEL Optronics Devices Limited & BEL Thales System Limited, and two Jointly controlled entities viz. GEBE Private Limited. & BEL Multitone Private Limited., whose financial statements reflect total assets of Rs. 64,694.89 lakhs as at 31st March, 2016, total revenues of Rs.33,794.22 lakhs and net cash inflows of Rs. 1788.46 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 3289.81 lakhs for the year ended 31st March, 2016 after adjusting loss of Rs.247.16 lakhs of the subsidiary BEL Thales Systems Limited, as considered in the consolidated financial statements, whose financial statements have not been audited by us.

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 and jointly controlled entities and our report in terms of sub-sections (3) and(11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and Jointly controlled entities, is based solely on the reports of the other auditors.

b) We draw attention to Note No. 32(10) regarding disclosure of segment information as required under AS-17.

c) We draw attention to Note No. 32(12) regarding confirmation of dissolution of BEL Multitone Private Limited, a Joint Venture Company by the Hon'ble High Court of Karnataka.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters based on our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.



Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016 ("the Order"), dated 29th March, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable on consolidated financial statements.
2. As required by Section 143(3) of the Act, 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.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with, by this Report is 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Company as at 31st March, 2016 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies and Jointly controlled entities incorporated in India, none of the directors of the Group and Jointly controlled entities incorporated in India are disqualified as at 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".



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

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and Jointly controlled entities—Refer Note No 32(09) to the consolidated financial statements.
- ii. The Group and Jointly controlled entities did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and Jointly controlled entities incorporated in India.

for **BADARI, MADHUSUDHAN & SRINIVASAN**
CHARTERED ACCOUNTANTS
FIRM REG. No. 005389S


(S. RAJENDIRAN)
PARTNER

MEMBERSHIP No. 021883



Place: Bangalore

Date: May 27, 2016

**ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT ELECTRONICS
LIMITED**

**Report on the Internal Financial Controls 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 Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Bharat Electronics Limited** ("the Holding Company") and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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



Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **BADARI, MADHUSUDHAN & SRINIVASAN**
CHARTERED ACCOUNTANTS
FIRM REG. No. 005389S


(S. RAJENDIRAN)
PARTNER
MEMBERSHIP No. 021883



Place: Bangalore

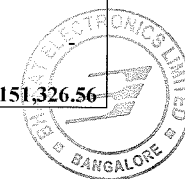
Date: May 27, 2016

Bharat Electronics Limited , Regd. Office : Outer Ring Road, Nagavara, Bengaluru - 560 045

Statement of standalone and consolidated audited results for the quarter and year ended 31 March, 2016

(₹ in Lakhs)

Sl. No	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31.3.2016 (Refer Note 8)	31.12.2015 (Unaudited)	31.3.2015 (Refer Note 8)	31.3.2016 (Audited)	31.3.2015 (Audited)	31.3.2016 (Audited)	31.3.2015 (Audited)
1	Income from operations							
	(a) Net sales/income from operations (Net of excise duty)	313,541.63	150,022.78	283,143.18	715,408.34	667,553.84	738,273.82	689,532.36
	(b) Other operating income	7,943.81	1,700.12	9,673.22	14,106.87	16,711.81	16,580.18	19,730.87
	Total income from operations (net)	321,485.44	151,722.90	292,816.40	729,515.21	684,265.65	754,854.00	709,263.23
2	Expenses							
	(a) Cost of materials consumed	133,257.53	83,215.04	125,357.33	371,184.15	330,501.15	383,292.89	346,787.10
	(b) Purchases of stock-in-trade	14,185.05	6,455.80	15,039.70	33,936.48	43,952.00	33,936.48	43,952.00
	(c) Changes in inventories of finished goods, work-in-progress and scrap	2,419.58	(13,565.45)	10,192.58	(26,045.33)	3,602.18	(25,593.45)	2,735.67
	(d) Employee benefits expense	35,290.51	30,790.92	36,646.44	130,184.94	126,345.08	132,250.16	128,100.46
	(e) Depreciation and amortisation expense	4,678.78	4,144.51	4,263.86	16,892.74	15,396.49	19,956.80	16,615.01
	(f) Other expenses	36,450.49	15,567.84	26,321.41	74,111.21	65,456.88	76,870.73	70,151.94
	Total expenses	226,281.94	126,608.66	217,821.32	600,264.19	585,253.78	620,713.61	608,342.18
3	Profit from operations before other income, finance costs and exceptional items (1-2)	95,203.50	25,114.24	74,995.08	129,251.02	99,011.87	134,140.39	100,921.05
4	Other income	13,364.97	13,547.22	13,856.56	53,215.25	47,795.18	53,348.60	50,673.70
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	108,568.47	38,661.46	88,851.64	182,466.27	146,807.05	187,488.99	151,594.75
6	Finance costs	409.77	13.87	112.30	450.08	138.38	617.25	268.19
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	108,158.70	38,647.59	88,739.34	182,016.19	146,668.67	186,871.74	151,326.56
8	Exceptional items	-	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 ± 8)	108,158.70	38,647.59	88,739.34	182,016.19	146,668.67	186,871.74	151,326.56



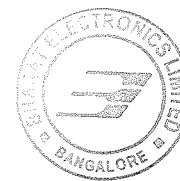
V. V. K.

Sl. No	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31.3.2016 (Refer Note 8)	31.12.2015 (Unaudited)	31.3.2015 (Refer Note 8)	31.3.2016 (Audited)	31.3.2015 (Audited)	31.3.2016 (Audited)	31.3.2015 (Audited)
10	Tax expense (including deferred tax)	27,988.01	9,076.69	16,452.84	45,529.16	29,944.58	47,502.54	31,621.80
11	Net Profit from ordinary activities after tax (9 - 10)	80,170.69	29,570.90	72,286.50	136,487.03	116,724.09	139,369.20	119,704.76
12	Extraordinary items (net of tax expense)	720.44	-	-	720.44	-	720.44	-
13	Net Profit for the period (11 ± 12)	79,450.25	29,570.90	72,286.50	135,766.59	116,724.09	138,648.76	119,704.76
14	Minority interest	-	-	-	-	-	(64.26)	(15.80)
15	Net Profit after taxes, minority interest (13 - 14)	79,450.25	29,570.90	72,286.50	135,766.59	116,724.09	138,713.02	119,720.56
16	Paid-up equity share capital (Face Value of ₹ 10/- each)	24,000.00	24,000.00	8,000.00	24,000.00	8,000.00	24,000.00	8,000.00
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	849,383.34	780,502.89	874,606.29	803,683.58
18	Earnings per share (Basic & Diluted) (₹): (Refer Note 6)							
	(a) Before extraordinary items (Not annualised)	33.40	12.32	30.12	56.87	48.64	58.10	49.88
	(b) After extraordinary items (Not annualised)	33.10	12.32	30.12	56.57	48.64	57.80	49.88

See accompanying notes to the financial results.

Figures of previous period(s) have been regrouped/rearranged wherever required.

V. up.



Note:

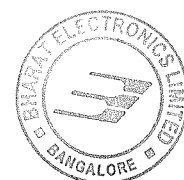
1 Statement of Assets and Liabilities as at 31st March 2016 is given below:

(₹ in Lakhs)

No.	Particulars	Standalone		Consolidated	
		As at		As at	
		31.3.2016 (Audited)	31.3.2015 (Audited)	31.3.2016 (Audited)	31.3.2015 (Audited)
A	EQUITY AND LIABILITIES				
(1)	Shareholders' Fund				
(a)	Share Capital	24,000.00	8,000.00	24,000.00	8,000.00
(b)	Reserves & Surplus	849,383.34	780,502.89	874,606.29	803,683.58
	Sub-Total - Shareholders' funds	873,383.34	788,502.89	898,606.29	811,683.58
(2)	Minority Interest	-	-	475.90	610.51
(3)	Government Grants	624.97	910.51	17,732.09	20,087.62
(4)	Non-Current Liabilities				
(a)	Long-Term Borrowings	-	-	25.48	34.58
(b)	Other Long Term Liabilities	206.32	107.57	219.01	109.97
(c)	Long-Term Provisions	51,338.21	43,328.96	51,443.43	43,414.95
	Sub-total - Non-current liabilities	51,544.53	43,436.53	51,687.92	43,559.50
(5)	Current Liabilities				
(a)	Short-Term Borrowings	-	-	2,838.53	2,472.87
(b)	Trade Payables	116,838.85	112,614.00	119,354.52	118,433.14
(c)	Other Current Liabilities	694,995.65	540,167.59	695,419.78	540,561.65
(d)	Short-Term Provisions	64,839.34	34,338.58	66,335.18	35,151.35
	Sub-Total - Current Liabilities	876,673.84	687,120.17	883,948.01	696,619.01
	TOTAL - EQUITY AND LIABILITIES	1,802,226.68	1,519,970.10	1,852,450.21	1,572,560.22
II	ASSETS				
(1)	Non-Current Assets				
(a)	Fixed Assets				
(i)	Tangible Assets	95,772.85	77,053.53	106,689.37	88,817.64
(ii)	Intangible Assets	68.92	56.93	16,603.05	18,482.94
(iii)	Capital Work-in-Progress	22,187.49	13,965.54	22,368.93	14,021.23
(iv)	Intangible Assets under Development	20,784.00	11.99	20,784.00	11.99
(b)	Non Current Investment	31,794.63	1,911.53	24,215.17	5.05
(c)	Deferred Tax Assets (Net)	37,232.61	33,779.59	37,135.71	33,843.41
(d)	Long-Term Loans & Advances	7,253.09	6,156.58	11,806.67	7,829.80
(e)	Other Non-Current Assets	7,494.93	8,932.79	7,573.44	8,959.47
	Sub-Total - Non-Current Assets	222,588.52	141,868.48	247,176.34	171,971.53
(2)	Current Assets				
(a)	Inventories	416,788.63	336,943.20	421,277.10	342,421.44
(b)	Trade Receivables	371,190.22	378,614.33	374,070.67	380,531.89
(c)	Cash & Bank Balances	733,194.20	588,153.06	755,289.40	603,792.49
(d)	Short-Term Loans & Advances	52,657.24	69,042.78	48,725.25	68,408.83
(e)	Other Current Assets	5,807.87	5,348.25	5,911.45	5,434.04
	Sub-Total - Current Assets	1,579,638.16	1,378,101.62	1,605,273.87	1,400,588.69
	TOTAL - ASSETS	1,802,226.68	1,519,970.10	1,852,450.21	1,572,560.22

See accompanying note to the financial results. Figures of previous period(s) have been regrouped/rearranged wherever required.

V. up



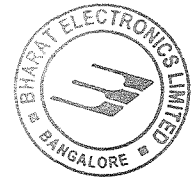
- 2 Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defence production from the requirement of Segment Reporting.
- 3 The audited annual results of Subsidiary Company viz. BEL Optronics Devices Ltd. (100 % shareholding), BEL Thales Systems Ltd (74 % shareholding) and JVC viz. GE BE Pvt. Ltd. [26 % Shareholding] are included in Consolidated Financial Results for the year 2015-16 [Refer Note (4)]. The consolidated financial results have been prepared as per Accounting Standards - AS -21 and AS - 27.
- 4 In respect of JVC BEL Multitone Private Ltd, the Honorable Karnataka High Court vide its Order no OLR 19/2015 dated 6th November, 2015 has passed its final order stating that the company be dissolved with effect from 15.09.2015.
- 5 BEL Optronics Devices Ltd. became 100% subsidiary of the company w.e.f 30.07.2015.
- 6 Consequent to issue of Bonus Shares (in Sep 2015), the earnings per share (EPS) have been adjusted for previous reported periods in accordance with Accounting Standard (AS) 20 Earnings Per Share (EPS).
- 7 In addition to the Interim Dividend @ ₹ 2.50 per share paid during the last quarter, a Final Dividend of ₹ 14.50 per share for the financial year 2015-16 has been recommended by the Board of Directors at the meeting held on 27th May 2016.
- 8 The figures of 4th quarters are the balancing figures between the audited figures of the full financial year and the published figures up to the third quarter of the respective financial years.
- 9 The financial results for the year ended 31 March 2016 have been audited by the statutory auditors of the company.
- 10 The audited results for the year ended 31 March 2016 is subject to supplementary audit by the Comptroller and Auditor General of India u/s 143 (6) of the Companies Act, 2013.
- 11 The above statement of financial results were reviewed by the Audit Committee and approved by the Board of Directors at the Meeting held on 27th May 2016.

Place: Bengaluru
Date: 27th May 2016

for and on behalf of Board of Directors

S K Sharma
S K Sharma

Chairman & Managing Director



2.4.16