





Thank you stakeholders



Safeguarding land, sea and air space

ANNUAL REPORT 2017-18





Corporate Vision, Mission, Values and Objectives

Vision

To be a World-class enterprise in professional electronics.

Mission

To be a customer focused, globally competitive company in Defence Electronics and in other chosen areas of Professional Electronics, through Quality, Technology and Innovation.

Values

- · Putting customers first.
- Working with transparency, honesty & integrity.
- Trusting & respecting individuals.
- Fostering teamwork.
- Striving to achieve high employee satisfaction.
- Encouraging flexibility and innovation.
- Endeavouring to fulfil social responsibilities.
- Proud of being a part of the organisation.

Objectives

- To be a customer focused company providing state-of-the-art products & solutions at competitive prices, meeting the demands of quality, delivery & service.
- To generate internal resources for profitable growth.
- To attain technological leadership in Defence Electronics through in-house R&D, partnership with defence / research laboratories & academic institutions.
- To give thrust to exports.
- To create a facilitating environment for employees to realise their full potential through continuous learning & teamwork.
- To give value for money to customers and create wealth for shareholders.
- To constantly benchmark company's performance with best-in-class internationally.
- · To raise marketing abilities to global standards.
- To strive for self-reliance through indigenisation.



The Past Decade

Particulars2009-092009-102010-112011-122012-132014-152014-15201-16201-17201-17Sales & Services462369523975250857036360190614236664577511782403100844Value O Production5273752737627485200875338629961269666557773392438970595Other Income20297376438033701260903428456745353764417055376841713513626Employee Benefits Expense755791009810166101813111071004312645127211912221010Interest / Finance Cost101775387473537641239711135111451144114669122121912311131Profit Before lax100964104021161510748111451174414669122122024219474Provision for Tax3108324152908244952247624312294542465494953992Dividend (Amount)1496018767132081230813308393161141511451146413603136821362Dividend (Amount)14963129912014140801201414080120141408012014140801201413056Dividend (Amount)1496312191219121912191219121912191219 <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th>(₹</th> <th>in Lakhs)</th>										(₹	in Lakhs)
Value of Production5273252/78352/8455208579366289961269665647775792438970995Other Income2299737641383370312609334284747795537084710120308Materials3041063024543129313660040846335835637445340607483222513626Employce Benefits Expense75577100981018711079103031268412771915221010Interest / Finance Cost1007753736073343018384511177231915221010Interest / Finance Cost1007537365007287774367361239781417311340Profit Aferorax1096842467456045501957174774367360172372029219178Profit Aferorax10968104601161510748111491174714669173212029419178Profit Aferorax109681046011614107481162413929116724139291417311340Profit Aferorax10868175677208729962449524312243122429542464818025059Dividend (Monon)14801580617280162411392916241139291624113929162411392916241139291624113929162411392916241 <th>Particulars</th> <th>2008-09</th> <th>2009-10</th> <th>2010-11</th> <th>2011-12</th> <th>2012-13</th> <th>2013-14</th> <th>2014-15</th> <th>2015-16</th> <th>2016-17</th> <th>2017-18</th>	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Other Income229937643893703160994284477953708470120038Materials304103024531233266904084633583637443406077483222513626Employee Benefits Expense75579100958104181081211107103041263451257615481177233Depreciation / Amortization105601159122012001307114210159917211915225100Interest / Finance Cost107753736078340138451117311740Other Expenses (including Excise DUX; Properiod Items, Extraordinary & Exceptional items)4393428674550455019571747743967360123971417311140Profit Before Tax1096810450211615107481114911747146691732120294194784Provision For Tax3510835108231682496512496243011646423360605740685Dividend (Anount)1496015360126974068018080800080008000800080008000200022362316Dividend (Anount)149601530213912139121299210717149631547615972171414050152640671Dividend (Anount)116912991129112911291129112911291<	Sales & Services	462369	521977	552969	570363	601190	617423	669457	754117	882470	1008484
Metrials3041063024543129336690340846335835537445406077483222513626Employee Benefits Expense7657910098104181081231110791030431263451257615481177233Depreciation / Amortization10560115941220412080130711421015396172211915225100Interest / Finance Cost10775373607834013846111781277Other Expenses (Including Excise Duty, Prior period items, Extraordinary & Exceptional items)4931942867455045501957174774396736012378141733111400Profit Before Tax10968410450211615107485111459117471466913212202942194784Provision For Tax35108324152996824495224762431229945424764818056557Profit After Tax7456772087861478299088939316211672130736154762139929Dividend (Amount)14960153601728076640178401864023360408005026749058Dividend (Amount)11979370384242649071564216223696937247805038706072851875174Dividend (Amount)1197917173164001000060565760767607676076<	Value of Production	527327	524788	552080	579358	628991	612690	665854	777537	924383	970595
Employee Benefits Expense75679100958104186108123111079103040126451257615481177233Depreciation / Amortization10560115941220412080130711421015361721191225100Interest / Finance Cost10771537736607834013845111781277Other Expenses (including Excise Duty, Prior period items, Extraordinary & Exceptional items)49319428674550455019571747743967360123978141733111340Profits Before Tax1096841040211611510748511145911747416691722120942194784Profits Before Tax510832415296824495244764818054855196791147414669172212094219789Drividend (Amount)14960157697207816478299088383316211674130761547619999Dividend (%)187621874168091680923084286542875262366372478050874607281872173Dividend (%)1879370884245249071516226223696372478050874607281872163Dividend (%)18791717733961741011000606676876804748157146471697216716471697216 <t< td=""><td>Other Income</td><td>22997</td><td>37641</td><td>38933</td><td>70312</td><td>60993</td><td>42847</td><td>47795</td><td>53708</td><td>47101</td><td>20038</td></t<>	Other Income	22997	37641	38933	70312	60993	42847	47795	53708	47101	20038
Depreciation / Amortization10560115941220412080130711421015396172211915222100Interest / Finance Cost10775373607834013845511781277Other Expenses (including Excise Duty, Prior period items, Extraordinary & Exceptional items)4931942867455045501957174774396736012397814173111340Profit Before Tax10964104502116151074851114591174741466691732122097819478Profit Before Tax351083241529968824952247624312194601337619476219929Drofit Ater Tax74576702078614782990880893162116721307615472619998Drividend (Amount)1149011901728016460178808000800080008000800080002336024000223324163Other Equity Share Capital800080008000800080008000800080008000800080002400022360248515114691616921949Loan Funds1124517217178901901820732322267248515114681616922194Cumulative Depreciation / Amortizatio1124512121130521391421497815752171405170203616631755Inventory <td< td=""><td>Materials</td><td>304106</td><td>302454</td><td>312931</td><td>366903</td><td>408463</td><td>358356</td><td>374453</td><td>406077</td><td>483222</td><td>513626</td></td<>	Materials	304106	302454	312931	366903	408463	358356	374453	406077	483222	513626
Interest / Finance Cost1077153736607834013845111781277Other Expenses (including Excise Duty, Prior period items, Extraordinary & Exceptional items)4931942867455045501957174774396736012397814173111340Profit Before Tax109681045021161510748511145117471466917321220392194784Provision For Tax3510832415299682449522476243122945424764818054855Profit After Tax745767208786147829908898393162116721303615476213992Dividend (Amount)1496015360172081664017840186402336406006025749058Dividend (%)187719964005153601720816460180080008000800080008000203022382436Dividend (%)1878192170215621562162369693727805087460728187174Loan Funds112417021702117029170211702916169219942199421994Loan Funds112451212117030151421702226628051114691616921994Loan Funds11245121211702917012170293161817144905047755Loan Funds <td>Employee Benefits Expense</td> <td>75579</td> <td>100958</td> <td>104186</td> <td>108123</td> <td>111079</td> <td>103043</td> <td>126345</td> <td>125726</td> <td>154831</td> <td>177233</td>	Employee Benefits Expense	75579	100958	104186	108123	111079	103043	126345	125726	154831	177233
Other Expenses (including Excise Duty, Prior period items, Extraordinary & Exceptional items)Ag319A2867A5504F55019F7174F77439F77500F72500F71721Z02978F111730Profit Before Tax1096841045021161151074851114591174741466917212202942194784Provision For Tax35108324152996824495224762431229945424764818054855Profit After Tax74576720878614782990889839916211672130736164762139929Dividend (Amount)1496015360172801664017840186023360400006025749058Dividend (%)18871912216208223233292170022324366Other Equity Share Capital8000800080008000800080008000800080002000223824366Other Equity Share Capital112151702117027171801702920102238216862336421685116892168621781Loan Funds1124512122130291391214977813764346884177449050141755Loan Funds11245121221302913914214977813764346884174749050141755Loan Funds1124512124120291218123718223718133714	Depreciation / Amortization	10560	11594	12204	12080	13071	14210	15396	17221	19152	25100
Excise Duty, Prior period items, Extraordinary & Exceptional items)49319428674550055109571747743067300123978111330111340Profit Before Tax109681045021161151074851147914660172122024219478Provision For Tax3510832105720778614782990889839316211672107301647019929Dividend Amount)1490015030720876614782909889393162116201070549058Dividend (%)118601780016102172806616017840186402330064000203624030Dividend (%)11871719171212161216121812	Interest / Finance Cost	1077	53	73	60	78	340	138	451	1178	127
Provision For Tax35108324152996824495224762431229948424764818054855Profit After Tax745767208786147829908898393162116724130736154762139999Dividend (Amount)14960153601728016640178401864023360408005025749058Dividend (%)1877187021620822323329217022524360Equity Share Capital80008000800080008000800080008000240002233624366Other Equity Share Capital37036424564905715542162239693724780538745075173Loan Funds11217734110110101001002000221984Corse Block15790170211789019015217631714517145171451714517145Inventory24205248672696323947121571714517145171451714517145Debtors / Trade Receivables22763216632696323947231463714337145371453714537145Morking Capital3155636569NANANANANANANANANAMorking Capital3156536569NAKa994544496071469092737285305564094 <td>Excise Duty, Prior period items,</td> <td>49319</td> <td>42867</td> <td>45504</td> <td>55019</td> <td>57174</td> <td>77439</td> <td>67360</td> <td>123978</td> <td>141733</td> <td>111340</td>	Excise Duty, Prior period items,	49319	42867	45504	55019	57174	77439	67360	123978	141733	111340
Profit After Tax745767208786147829908898393162116724130736154762139292Dividend (Amount)14960153601728016640178401864023360408005025749058Dividend (%)18771877216208223233292170225200Equity Share Capital800080008000800080008000800080008000800080008000785038743072581751735Loan Funds1127734141010005026162353226672485151146816169921184Gross Block15799170217178901901582073232226672485151146816169921194Cumulative Depreciation / Amortizatio1112512121130521391214978157521714051714049051047752Inventory2420624487124602249811497814284378143161892198447752Debtors / Trade Receivables227653168632896826868334674128537814314844005147752Morking Capital (As per Revised Sch VI / Sch III)3135536569NANANANANANANANANACapital Employed (As per Revised Sch VI / Sch III)36303414254985153001530066	Profit Before Tax	109684	104502	116115	107485	111459	117474	146669	173212	202942	194784
Dividend (Amount)14960153601728016640178801864023360408005025749058Dividend (%)118711922162082232332921702232436Equity Share Capital80008000800080008000800080008000800020002233624365Other Equity Share Capital37036424524905715542162369693724780508743072818751735Loan Funds121734411001000056026666Gross Block157901702117890190182073222267248515114689161699221984Cumulative Depreciation / Amortizatio1112451212213052913914214977815757217145170293616861275Inventory24209244871246322718233701434268417474905047752Debtors / Trade Receivables2276326659NANANANANANANAWorking Capital3136536562NAANANANANANANANAAgeital Employed36030414625NAANANANANANANACapital Employed36030414625NANANANANANANANAAgeital Employed37888425264987	Provision For Tax	35108	32415	29968	24495	22476	24312	29945	42476	48180	54855
Dividen (%) 187 192 216 208 223 233 292 170 225 2436 Equity Share Capital 8000 8000 8000 8000 8000 8000 8000 24000 2233 24366 Other Equity 370368 42452 490571 55421 62369 693724 780503 874300 72818 751735 Loan Funds 121 73 41 10 1 0 0 0 5000 6666 Gross Block 15790 17027 17800 19158 207323 22267 248515 11469 16169 21194 Cumulative Depreciation / Amortizatio 111245 12121 13052 139142 149778 157572 171405 17029 36168 61275 Inventory 24206 244871 246032 279182 337014 342688 41747 49050 474552 Debtors / Trade Receivables 227653 365629 NA	Profit After Tax	74576	72087	86147	82990	88983	93162	116724	130736	154762	139929
Equity Share Capital80008000800080008000800080008000240002233624366Other Equity3703684245264905715542162236969372478050387430728518751735Loan Funds1217341101000500066666Gross Block15790170217178900190158207323222667248515114689161699221984Cumulative Depreciation / Amortization111245121221130529139142149778157572171405170293616861275Inventory242096244871246032279182337014342688417747490501477552Debtors / Trade Receivables2276532168362896812686663334674128543786143711343548570458Working Capital31356365629NANANANANANANANAWorking Capital31356365629NAA78994544494607714690982737289530455440924Capital Employed360301414625NANANANANANANANACapital Employed360301414625NANANANANANANANACapital Employed36901414625NANANANANANANANANA <t< td=""><td>Dividend (Amount)</td><td>14960</td><td>15360</td><td>17280</td><td>16640</td><td>17840</td><td>18640</td><td>23360</td><td>40800</td><td>50257</td><td>49058</td></t<>	Dividend (Amount)	14960	15360	17280	16640	17840	18640	23360	40800	50257	49058
Other Equity 37036 424526 490571 554221 622369 693724 780503 874300 728518 751735 Loan Funds 121 73 41 10 1 0 0 0 5000 66666 Gross Block 157900 170217 178000 190158 207323 222667 248515 114689 161699 221984 Cumulative Depreciation / Amortizatio 111245 121221 130529 139142 149778 157572 171405 17029 36168 61275 Inventory 24209 244871 246032 279182 337014 342688 41774 490501 477552 Debtors / Trade Receivables 227653 216850 289681 268686 333667 412854 37814 37113 43548 570458 Working Capital (As per Revised Sch VI / Sch III) NA NA <td< td=""><td>Dividend (%)</td><td>187</td><td>192</td><td>216</td><td>208</td><td>223</td><td>233</td><td>292</td><td>170</td><td>225</td><td>200</td></td<>	Dividend (%)	187	192	216	208	223	233	292	170	225	200
Loan Funds 121 73 41 100 11 00 00 000 5000 66666 Gross Block 15790 170217 178900 190158 207323 222667 248515 114689 161699 221984 Cumulative Depreciation / Amortization 111245 121221 130529 139142 149778 157572 171405 17029 36168 61275 Inventory 242096 244871 246032 279182 327108 337014 342688 417747 490501 477552 Debtors / Trade Receivables 227653 216836 289681 268686 333467 412854 37814 371193 435488 570458 Working Capital 313556 365629 NA NA <td< td=""><td>Equity Share Capital</td><td>8000</td><td>8000</td><td>8000</td><td>8000</td><td>8000</td><td>8000</td><td>8000</td><td>24000</td><td>22336</td><td>24366</td></td<>	Equity Share Capital	8000	8000	8000	8000	8000	8000	8000	24000	22336	24366
Gross Block15799170217178900190158207323222667248515114689161699221984Cumulative Depreciation / Amortization111245121221130529139142149778157572171405170293616861275Inventory242096244871246032279182327108337014342688417747490501477552Debtors / Trade Receivables227653216836289681268686333467412854378614371193435488570458Working Capital313556365629NANANANANANANANANAWorking Capital360301414625NAA78994544494607714690922737289530455440924Capital Employed360301414625NANANANANANANANANACapital Employed37836843252649857153001760239672809768092834949655986601633Net Worth37836843252649857156222163036970172478850389830075085476101Let ming Per Share (in Rupees)**2.832.733.263.1253.3153.3254.424.956.605.7011	Other Equity	370368	424526	490571	554221	622369	693724	780503	874360	728518	751735
Cumulative Depreciation / Amortization 111245 121221 130529 139142 149778 157572 171405 17029 36168 61275 Inventory 242096 244871 246032 279182 327108 337014 342688 417747 490501 477552 Debtors / Trade Receivables 227653 216836 289681 268686 333467 412854 378614 371193 435488 570458 Working Capital 313556 365629 NA <td>Loan Funds</td> <td>121</td> <td>73</td> <td>41</td> <td>10</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> <td>5000</td> <td>6666</td>	Loan Funds	121	73	41	10	1	0	0	0	5000	6666
Inventory 242096 244871 246032 279182 327108 337014 342688 417747 490501 477552 Debtors / Trade Receivables 227653 216836 289681 268686 333467 412854 37814 371193 435488 570458 Working Capital 313556 365629 NA A40924 Capital Employed 360301 414625 NA	Gross Block	157990	170217	178900	190158	207323	222667	248515	114689	161699	221984
Debtors / Trade Receivables 227653 216836 289681 268686 333467 412854 378614 371193 435488 570458 Working Capital 313556 365629 NA A40924 A409	Cumulative Depreciation / Amortization	111245	121221	130529	139142	149778	157572	171405	17029	36168	61275
Working Capital313556365629NANANANANANANANANAWorking Capital (As per Revised Sch VI / Sch III)NANA430800478994544494607714690982737289530455440924Capital Employed (As per Revised Sch VI / Sch III)360301414625NANANANANANANACapital Employed (As per Revised Sch VI / Sch III)3783684325264791715300106020396728097680925834949655986601633Net Worth378368432526498571562221630369701724788503898360750854776101Earning Per Share (in Rupees) **2.832.733.263.153.373.534.424.956.02	Inventory	242096	244871	246032	279182	327108	337014	342688	417747	490501	477552
Working Capital (As per Revised Sch VI / Sch III) NA NA 430800 478994 544494 607714 690982 737289 530455 440924 Capital Employed (As per Revised Sch VI / Sch III) 360301 414625 NA Sa1432 Sa143	Debtors / Trade Receivables	227653	216836	289681	268686	333467	412854	378614	371193	435488	570458
(As per Revised Sch VI / Sch III) NA NA 430800 478994 544494 607714 690982 737289 530455 440924 Capital Employed 360301 414625 NA NA<	Working Capital	313556	365629	NA							
Capital Employed (As per Revised Sch VI / Sch III) NA ANA A79171 530010 602039 672809 768092 834949 655986 601633 Net Worth 378368 432526 498571 562221 630369 701724 788503 898360 750854 776101 Earning Per Share (in Rupees)** 2.83 2.73 3.26 3.15 3.37 3.53 4.42 4.95 6.03 5.70	5	NA	NA	430800	478994	544494	607714	690982	737289	530455	440924
(As per Revised Sch VI / Sch III) NA NA 479171 530010 602039 672809 768092 834949 655986 601633 Net Worth 378368 432526 498571 562221 630369 701724 788503 898360 750854 776101 Earning Per Share (in Rupees)** 2.83 2.73 3.26 3.15 3.37 3.53 4.42 4.95 6.03 5.70	Capital Employed	360301	414625	NA							
Earning Per Share (in Rupees) ** 2.83 2.73 3.26 3.15 3.37 3.53 4.42 4.95 6.03 5.70		NA	NA	479171	530010	602039	672809	768092	834949	655986	601633
	Net Worth	378368	432526	498571	562221	630369	701724	788503	898360	750854	776101
Book Value Per Share (in Bupees) 15.77 18.02 20.77 23.43 26.27 29.24 32.85 37.43 33.62 31.85	Earning Per Share (in Rupees) **	2.83	2.73	3.26	3.15	3.37	3.53	4.42	4.95	6.03	5.70
	Book Value Per Share (in Rupees)	15.77	18.02	20.77	23.43	26.27	29.24	32.85	37.43	33.62	31.85
No. of Employees 11961 11545 11180 10791 10305 9952 9703 9848 9716 9726	No. of Employees	11961	11545	11180	10791	10305	9952	9703	9848	9716	9726

* In line with Ind AS

** Adjusted for all the previous periods consequent to issue of bonus shares in the ratio of 1:10 during FY 2017-18.



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Statement of Profit and Loss

Chairman's Letter

Principal Executives &

Dividend Distribution

Secretarial Audit

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Corporate Governance

Independent Auditor's

Report on Standalone

Financial Statements

Report - Annexure 7

Policy of BEL - Annexure 1

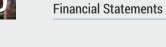
Auditors

Notes to Accounts (1 - 37)

Consolidated **Financial Statements**







Form AOC - I

Changes in Equity

Significant Accounting

Policies on Standalone











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Cash Flow Statement



Auditor's Report on the Consolidated Financial Statements







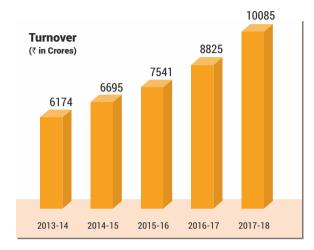
Financial Highlights - FY 2017-18

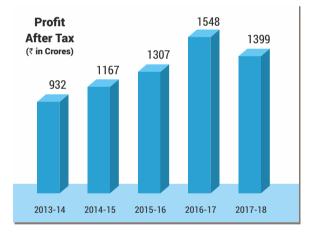
Turnover	Production	Operating Profit	Turnover Per Employee	Net Worth	Equity
₹ 1,008,484 Lakhs	₹ 970,595 Lakhs	₹ 174,873 Lakhs	₹103.69 Lakhs	₹ 776,101 Lakhs	20,397,780 Shares
Turnover registered a growth of 14.28% from ₹ 882,470 Lakhs in 2016-17 to ₹ 1,008,484 Lakhs in 2017-18	Value of production has increased from ₹ 924,383 Lakhs in 2016-17 to ₹ 970,595 Lakhs in 2017-18, increase of 5%	Operating Profit rose by 11.37% from ₹ 157,019 Lakhs in 2016-17 to ₹ 174,873 Lakhs in 2017-18	Turnover per Employee has increased from ₹ 90.83 Lakhs in 2016-17 to ₹ 103.69 Lakhs in 2017-18	Net Worth has increased from ₹ 750,854 Lakhs in 2016-17 to ₹ 776,101 Lakhs in 2017-18	20,397,780 Equity Shares bought back for ₹ 37,226 Lakhs during 2017-18

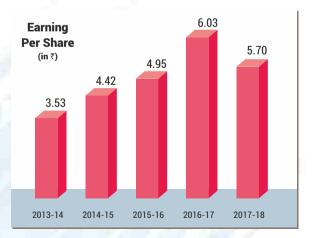


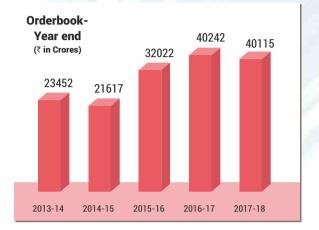


Financial Highlights

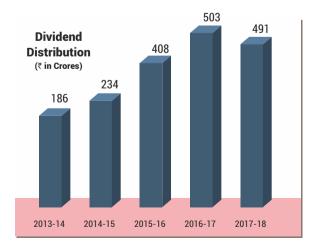














Global Footprints



The Hon'ble Raksha Mantri, Mrs Nirmala Sitharaman, inaugurating the first Representative Office of BEL in Vietnam (VIRO)



The newly inaugurated Representative Office of BEL in Vietnam



The BEL team at Defence and Security Equipment International Exhibition (DSEI) 2017 held at London, UK



Weapon Locating Radar on display at the BEL outdoor stall at DSEI 2017



The Chief of Vietnam People's Navy at the BEL stall during IMDEX ASIA 2017 exhibition, held at Singapore



Visitors from the Royal Thai Armed Forces at the BEL stall at Defense & Security Exhibition, held at Bangkok



Signing of Contract for production of LRSAM systems, between BEL and IAI, Israel

भारत इलेक्ट्रॉनिक्स BHARAT ELECTRONICS QUALITY, TECHNOLOGY, INNOVATION

Chairman's Letter

Dear Shareholders.

It gives me immense pleasure to share through this letter, the achievements and financial highlights of your Company during the past year. In the FY 2017-18 there were considerable challenges in the environment we operate. In spite of the challenges, your Company has achieved the growth targets with greater emphasis on R&D, technology updation and infrastructure modernisation to meet the fast changing business environment. Your Company has achieved significant growth in revenues. At ₹ 4,011,500 Lakhs (as on 1 April 2018) the order book continues to be healthy and also good order inflow projections are expected in the next 2-3 years. Your Company has continued to maintain its leadership position in supplying equipment / systems to Defence Forces and is on a steady growth path. I take this opportunity to share with you the performance highlights during the past year and the future outlook for the Company.

Highlights of the Year

Your Company achieved a turnover of ₹ 1,008,484 Lakhs during 2017-18 against ₹ 882,470 Lakhs in 2016-17. thereby registering a significant growth of 14%. BEL achieved an export sale of US\$ 26.3 Million. Some of the countries, where your Company's products were exported are Sri Lanka, Myanmar, Maldives, Mauritius, Vietnam, Indonesia, Israel, Germany, Sweden and USA. The major Products / Systems exported during the year include Advanced Composite Communication System (ACCS), Compact Airborne Surveillance System, Bharti Radio, Cable Looms, Mechanical Parts, Coastal Surveillance System, Spares for TRS 2215 Radar & V/UHF Radio.

A significant growth of 14% in turnover

All the 9 manufacturing units of the Company have performed well. The Profit After Tax for 2017-18 is ₹139,929 Lakhs against ₹154,762 Lakhs last year, a decrease of 10% over previous year. This was mainly due to decrease in interest income, increase in tax provision and wage revision. The Net Worth of the Company has increased from ₹750,854 Lakhs in year 2016-17 to ₹776,101 Lakhs in 2017-18.

R&D expenditure

R&D has been the main focus area of your Company for increasing indigenisation and value addition in our products / systems. The total expenditure on R&D as a percentage of turnover during the year was 9.8% which is one of the highest among the defence PSUs. It is our continued effort towards indigenous development that 9.8% of turnover / has led us to achieve 89% of our turnover from indigenous products. Only 11% of our revenues came from products manufactured through ToT from foreign OEMs. Defence being the mainstay of the Company, has contributed 85% of sales revenue, with the balance 15% coming from the non-defence sector.

Some of the major products / systems introduced during 2017-18 are Intelligence Gathering System, Ship Data Network, Advanced Communication System for Ships, Radio On The Move for Weapon Systems, Fire Control System and P15, TI Sight for T-90, TI Sight for T-72, HHTI Bi-Ocular, Electro Optic System, EVM-M3, VVPAT-M3, Mine Field Recording System (MFRS), Multi Purpose Reflex Weapon Sight (MRWS), Radio Relay Upgrade, Secure Phone, 6 kW Solid State Power Amplifier (SSPA) etc.

Revenue through Defence business is 85%



Your Company has received orders worth about ₹10,000 Crores. Major orders received during the year include Voter Verifiable Paper Audit Trail, Commander TI Sights for T-72, Low Intensity Conflict EW System, Hull Mounted Sonar for P71, Electronic Voting Machine, Surveillance Radar Element, Network For Spectrum (NFS) Satcom Terminal, Integrated Mobile System, Passive Night Vision Devices, CoMPASS etc.

I have the privilege to inform you that your Company has filed applications for 25 Patents in 2017-18 as against 20 patents filed in 2016-17. As many as 71 technical papers were published by scientists and R&D engineers of BEL in various National and International journals / seminars / conferences.

Filed application for 25 patents

Some of the performance highlights of your Company are :

- Inauguration of 16 MW Solar PV Power Plant at Ordnance Factory, Medak (OFMK).
- Inauguration of BEL Academy of Excellence to address the training needs of BEL employees, as well as of its customers and vendors / partners.
- Inauguration of Advanced EMC Testing Facilities having Anechoic Chamber of size 11m x 21m x 30m which can conduct testing of Systems / Platforms weighing up to 70 Tonnes. It can be used to carry out system level EMC testing for many projects of national importance like AKASH, IACCS, LRSAM, Weapon Locating Radar and Battlefield Management System.
- Defence Innovation Organisation (DIO) was incorporated on 10 April 2017 as a 'Not for Profit' Company as per the provisions of Section-8 of the Companies Act 2013 with Authorised Share Capital of ₹1.0 Crore (BEL: 50%; HAL: 50%).
- "Excellent" MoU Rating for 2016-17 from DPE.
- Inauguration of Near Field Antenna Test Range (NFTR) facility at BEL Bengaluru for calibration and testing of Radars and communication antennae. The NFTR facility at Bengaluru is the third such set-up in BEL and the only one in the Defence industry in India.
- High level Shock Testing Facility established at BEL Bengaluru capable of imparting mechanical shocks up to 120g level for equipment weighing up to 800 kg.
- Secured Manufacturing Test facility established in BEL Bengaluru and Panchkula units for production of EVMs and VVPATs.
- Inauguration of a state-of-the-art Electronic Artillery Fuze manufacturing at BEL Pune.
- BEL participated in the Defence Industry Development Meet, which was inaugurated by Mrs Nirmala Sitharaman, Hon'ble Raksha Mantri, at Chennai on 18 January 2018 and showcased various items for indigenization for domestic vendors including micro and small enterprise.
- BEL empanelled totally 216 organizations, which includes 27 collaborative R&D partners, 128 design service providers, 28 consultants and 33 production service providers and three organizations for supporting both design and production.

You will be happy to know that your Company has received several accolades, the most noteworthy being :

- Raksha Mantri's Awards (2014-15)
 - a) Indigenization Award : Doppler Weather Radar.
 - b) Design Effort : Lynx U2 Naval Gun Fire Control System for Indian Navy.
- Raksha Mantri's Awards (2015-16)
 - a) Institutional Award : Best Performance in Export.
 - b) Division/Factory/Shipyard Award : Best Performing Division of DPSUs : Naval Systems (Radar & Fire Control System).
 - c) Indigenization Award : Light Weight Portable Laser Target Designator.
 - d) Design Effort : Test Bed of Automated Air Defence Control and Reporting System.
- Prime Minister's Shram Awards to BEL Employees for the year 2013-14& 2014-15.
- Scope Award for Excellence and Outstanding Contribution in the special Institutional category of Digitalization for the year 2016-17.
- All India Management Association (AIMA) Managing India Award for the 'Outstanding PSU of the Year'.
- Governance Now Awards : for Business Diversification, Adoption of Technological Innovations, HR Excellence, Environmental Sustainability and Research & Development.
- Dun & Bradstreet India's Top PSU Award 2017 in the Manufacturing Category under Medium & Light Engineering Sector.
- Amity Leadership Award for Business Excellence, for outstanding contributions to the field of Surveillance and Defence industry.
- Vigilance Excellence Award-2017 for 'Excellent Contribution' in the category of "Best Institutional Practice to Fight Corruption" for the successful implementation of companywide e-filing system called "File Lifecycle Management (FLM)".
- INSSAN Award for Excellence in Suggestion Scheme: BEL Bengaluru Unit has been awarded 1st Prize for Excellence in Performance of the Suggestion Scheme for the year 2016-17 in Engineering Industry Group.
- First Prize in the PSU category for "Responsible Organisation Excellence Award" for the year 2016-17 from Associated Chambers of Commerce & Industry of India (ASSOCHAM).
- ELCINA-EFY Award for Excellence in Export for the year 2016-17 from Electronic Industries Association of India.

Future Outlook

Government's emphasis on 'Make in India' initiative in Defence sector provides a great opportunity for the Company to enhance its indigenization efforts and to address the opportunities in Indian Defence sector.