



एक कदम स्वच्छता की ओर

Annual Report

2015 - 16



 **भारत इलेक्ट्रॉनिक्स**
BHARAT ELECTRONICS

QUALITY. TECHNOLOGY. INNOVATION.

Empowering the Nation's Defence Forces



'Rajbhasha Kirti' national award for 'Surabhi',
the Hindi house magazine of BEL's Bangalore Complex



Foundation stone laying ceremony of Defence
Systems Integration Complex at Palasamudram, Andhra Pradesh

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 team work.
- ❖ 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 & team work.
- ❖ To give value for money to customers & 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.



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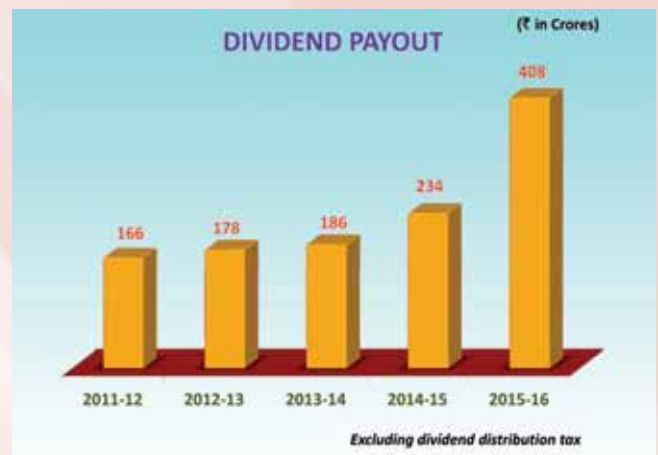
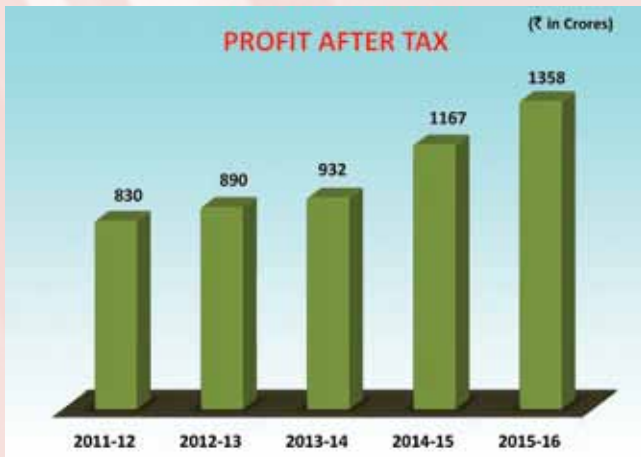


Financial Highlights

- ❖ Turnover registered a growth of 12.35% from ₹ 6,694.57 Crores in 2014-15 to ₹ 7,521.64 Crores in 2015-16.
- ❖ Value of Production has increased from ₹ 6,658.54 Crores in 2014-15 to ₹ 7,782.09 Crores in 2015-16. An increase of 16.87%.
- ❖ Profit after tax rose by 16.31% from ₹ 1,167.24 Crores in 2014-15 to ₹ 1,357.67 Crores in 2015-16.
- ❖ Increase of Profit after tax to Turnover Ratio from 17.44% in 2014-15 to 18.05% in 2015-16.
- ❖ Turnover per employee has increased from ₹ 0.69 Crores in 2014-15 to ₹ 0.76 Crores in 2015-16.
- ❖ Earning Per Share has increased from ₹ 48.64 in 2014-15 to ₹ 56.57 in 2015-16.
- ❖ Book Value per Share has increased from ₹ 328.54 in 2014-15 to ₹ 363.91 in 2015-16.
- ❖ Net Worth has grown from ₹ 7,885.03 Crores in 2014-15 to ₹ 8733.83 Crores in 2015-16.



Financial Highlights



Chairman's Letter

Dear Shareholders,

It gives me immense pleasure to write to you and share through this letter the achievements and financial highlights of your company during the past year. Your company has achieved the growth targets in revenues and profits amidst the challenging business environment. The continued focus on R&D, infrastructure and talent in a scenario of fast changing technologies, facilitated the company to meet its targeted growth. At ₹ 32,02,182 Lakhs (as on 1 April 2016) the order book continues to be healthy. The projections for order inflow for next 2-3 years, as per our marketing plan, are likely to remain robust. Your company has maintained its leadership position in supplying equipments / 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 ₹ 752,164 Lakhs during 2015-16 against ₹ 669,457 Lakhs in 2014-15, thereby registering a significant growth of 12.35%. A

**A Significant
Growth of
12.35% in
Turnover**

steep growth of 47% in exports has resulted in achieving an all time high Export turnover of US\$ 85.00 Million compared to US\$ 57.85 Million the

previous year. The indigenously developed Naval Air Surveillance Radar was

exported to Myanmar for the first time. The other products exported during the year include Ship borne EW System, Thermal Imaging based Fire Control System, Communication Equipment, Electronic Voting Machines etc.

All the 9 manufacturing Units of the company have performed well. The Profit After Tax for 2015-16 was ₹ 135,767 Lakhs against ₹ 116,724 Lakhs last year, an increase of 16.31% over previous year. The Net Worth of the company has grown from ₹ 788,503 Lakhs to ₹ 873,383 Lakhs in year 2015-16.

**R&D
expenditure
at 9.36% of
turnover**



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 9.36% which is one of the highest among the defence PSUs. It is our constant efforts on indigenous developments that have led us to achieve 86% of our turnover from indigenous products. Only 14% of our revenues came from products manufactured through Technology

Revenue from defence business is 82%

transfer from foreign OEMs. Defence being the mainstay of the company, has contributed 82% of sales revenue, with the balance 18% coming from the civilian sector.

Some of the major products / systems introduced during 2015-16 are 3D Surveillance Radar, L-Band 2D Air Surveillance Radar for Navy, Coastal Surveillance Radar, Satcom Terminals, Software Defined Radio (Naval Version-NC), Tactical Access Switch, Advanced Composite Communication System (ACCS), Versatile Media Secrecy Device, Citizen Verification Devices, Integrated Sonar Suite for Submarines, IAC MOD O/C Ref System, Integrated EW System for Mountainous Terrain, Laser Warning System, Gunner Sight for T90, Driver Sight for MBT Arjun etc.

Major Orders received during the year include Integrated Air Command and Control System, Weapon Locating Radar, HHTI with LRF, Ground based Mobile ELINT, Integrated Communication System, USHUS, Electronic Ammunition Fuze, Armoured Engineering Reconnaissance Vehicle and Shakti System for P71.

Filed applications for 12 Patents

I have the privilege to inform you that during this year, your company has filed applications for 12 Patents in the areas of Networking, RF and Microwave, Image Processing, Avionics etc. As many as 98 technical papers were published by scientists and R&D engineers of BEL in various national and International journals / seminars/ conferences.

Some of the performance highlights of your company are :

- Foundation stone laid for setting up of Defence Systems Integration Complex in Anantapur district of Andhra Pradesh

- Successfully completed supply of all systems for 6 Squadrons of Akash to Indian Air Force.
- Supplies for Project L-70 Gun Upgrade program commenced.
- An all time high Export turnover of US\$ 85 Million.
- State-of-the-art Additive Manufacturing facility set up at Bengaluru Unit
- Near Field Test Range and EMI/EMC Test Facilities set up for testing of modern Radars at Ghaziabad Unit.
- Procurements from MSMEs has increased from 8% in 2014-15 to 20% during 2015-16
- 'Long term Vendor Development and Outsourcing policy' has been released.
- "Make in India Cell" has been setup to implement BEL's outsourcing policy.

Procurement from MSMEs : 20%

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

- Raksha Mantri Award in the category of institutional, best performing division, indigenization, design effort for the years 2012-13 and 2013-14.
- ELCINA-EFY award for excellence in Electronic hardware manufacturing and services in Quality and Exports category.
- "Leadership Award – Embedded/VLSI Industry" for the year 2015 under the category of Best Electronic System Design & Manufacturing (ESDM) in the Government Sector. The award was conferred by "Mentor Graphics and Silicon India" on 6 November 2015 at Bengaluru.
- "Gold Award" in the ICQCC (International Convention of Quality Control Circle) held at Changwon, Korea for the case study on "Testing of Tx/Rx Sub-Modules".
- Won Four Awards instituted by Society of Defence Technologists (SODET) for the year 2014-15 in the categories of Technology Development and Technology Innovation.
- Conferred with the 'Dun & Bradstreet India's Top PSUs Award 2015' in the Electrical & Electronics Sector by Dun & Bradstreet (D&B), the world's leading provider of global business information, knowledge and insight.