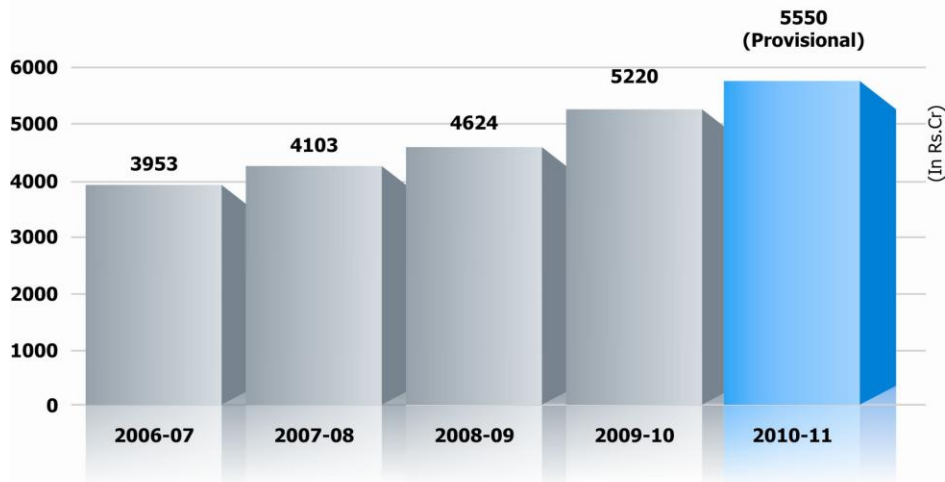


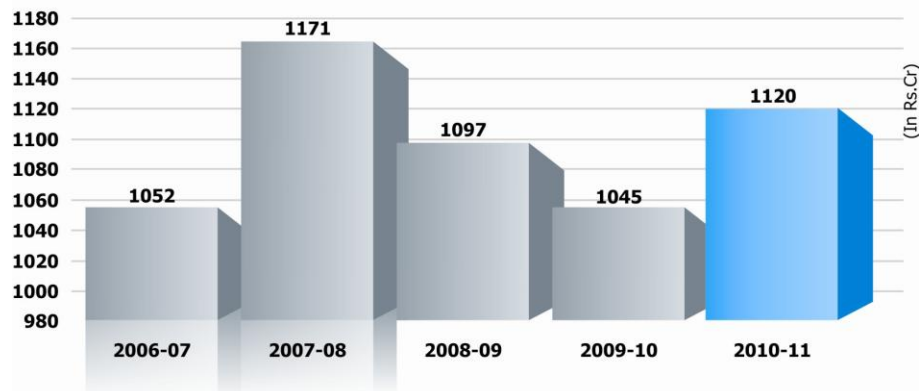
PRESS RELEASE

BEL registers Rs.5,550 crore turnover

Sales - 5 Year Profile



Profit Before Tax - 5 Year Profile



Highlights During 2010-11

- Sales turnover has increased to Rs.5,550 crores (provisional) from Rs.5,220 crores in 2009-10, a growth of 6.3%.
- The estimated Profit Before Tax is Rs.1,120 crores as against Rs.1,045 crores in 2009-10.
- Exports turnover has registered a growth of 77% from US \$ 23.65 million in 2009-10 to US \$41.89 million during 2010-11.
- BEL's order book grew from Rs.11,350 crores to Rs.23,600 crores during the year.
- Supplies to the defence contributed to 80% of turnover.
- The turnover from indigenously developed products is 78%.
- All nine Units of BEL continued to achieve profits.
- BEL paid a total dividend of 192% for 2009-10. BEL has paid 60% interim dividend to its shareholders for 2010-11. This is the 7th consecutive year of interim dividend payment.
- Union Defence Minister, Mr A K Antony, inaugurated BEL's Product Support Centre at Kalamassery in Kochi, Kerala, on February 8, 2011. The Centre has been set up to provide waterfront support for the Southern Naval Command and to support outsourcing of Naval system projects to BEL's outsourcing partner, KELTRON. It is also envisaged to co-ordinate equipment supply and support to the Air Defence Ship Project at Cochin Shipyard Limited and to support Sonar development projects at the National Physical & Oceanographic Laboratory (NPOL), Kochi, a DRDO lab.

- Dr V K Saraswat, Scientific Advisor to Defence Minister, inaugurated a modern D&E facility at BEL's Hyderabad Unit on December 24, 2010. The facility is equipped with Embedded Systems Lab, Software Development Lab, Communication systems and integration labs, Video Conferencing, etc.
- Four numbers of India's first wholly indigenous Nuclear, Biological and Chemical (NBC) Recce Vehicles, designed and developed by DRDO and integrated with NBC instruments at BEL's Pune Unit, were handed over to the Indian Army on December 21, 2010. The NBC Recce Vehicle surveys, detects, identifies and marks areas of radiological and chemical contamination.

Major Orders Executed

Some of the significant orders executed during the year include supply of 3-D Central Acquisition Radar (Rohini), Surveillance Radar Element, Artillery Combat Command Control System, Battle Field Surveillance Radar, L-Band Surveillance Radar, Fire Control Systems, Shipborne Electronic Warfare System, Integrated Communication Network System for ships, Mobile Radar band Electronic Intelligence System, Handheld UHF Radios, Secure Communication Network, Passive Night Vision Weapon Sight and Doppler Weather Radar. Among the many projects executed during the year, the following merit special attention:

Artillery Combat Command Control System: The system automates artillery functions with the use of latest technologies such as Tactical Computers integrated with communication capabilities, Geographical Information System (GIS) and Global Positioning System (GPS) to achieve quick and accurate fire. The system has been developed by BEL with indigenous technology and security solution from DRDO.

Surveillance Radar Element: It is an S band Air Traffic Control Radar suited for Terminal Control applications with a range of 130 km. It is a fully solid state modular transmitter with integrated IFF. It detects and

automatically tracks a large number of aircraft within Local Flying Area under all weather conditions and is configured for high availability.

3-D Central Acquisition Radar (Rohini): It is a 3-D surveillance radar in S band. It has an integrated IFF (Identify Friend or Foe) with co-mounted antenna and has been developed jointly with LRDE for the Indian Air Force.

Combat Net Radio: It is a VHF Frequency Hopping communication radio, fitted in Armoured vehicle. It has been developed with indigenous technology by DRDO and engineered by BEL.

VPS Mk III: It is a UHF Handheld Radio, compact and light-weight, with built-in High Grade Digital Secrecy. Interface is provided for handset/headgear and Crypto key loading. The operator interface is user-friendly with minimum number of controls. The radio set is provided with various types of antennae for use in different types of terrains, ranges and roles.

Battle Field Surveillance Radar – Medium Range (BFSR-MR) with Mast: It is a ground surveillance and acquisition radar capable of automatically detecting and displaying diverse moving targets such as pedestrians, vehicles, tanks, low-flying helicopters, etc. It supports artillery units by locating shell bursts and providing fire correction data.

RAWL 02 Mk III: It is a long range surveillance radar operating in D band. It is designed for use onboard large and medium Naval ships and for shore establishments and provides long-range air warning and target detection. It has stabilised hydraulic-driven antenna platforms.

Ground Based Mobile ELINT: An Electronic Intelligence Gathering System (Radar band) used during peace time. The system has location-fixing and Radar Finger Printing capability.

Composite Communication System - CCS Mk III: It is the newly developed system providing internal and external communications for Naval ships. It is based on ATM (Asynchronous Transfer Mode) technology with an interface to the ship's ATM backbone (AISDN). It has been developed by BEL with indigenous technology.

Naval Heliborne ESM system: It is a lightweight ESM system for helicopters of the Navy. It has higher threat-handling capability and improved DF accuracy. It has been developed by BEL with indigenous technology.

Air Defence Control & Reporting System: ADC&RS is a Command & Control system for integration of various radars and other Army systems for Air Defence. It has been developed by DRDO and engineered by BEL with indigenous technology.

Advanced Naval Gun Fire Control System (LYNX U-1): This state-of-the-art system has been developed by BEL to be installed onboard the P-28 class of ships for short/medium range Gun Fire Control using 3-axis stabilised, high accuracy X-band tracking radar and electro optic tracking system.

Doppler Weather Radar: It is an S-band radar, meant for long-range weather surveillance (up to 500 km). It can forecast storms, cyclones and other severe weather conditions. It uses Pulse Doppler techniques for accuracy and has been developed as a national initiative involving IMD, ISRO and BEL.

New Products

Prominent among the new products introduced and supplied during 2010-11 is the Akash Missile System - it is the first time that BEL is executing such a system. The other new products supplied include Advanced New Generation Hull Mounted Sonar, Mobile Communication Terminal, Hand Held Thermal Imager, Semi-Ruggedised Automatic Exchange, Instant Fire Detection & Suppression System, Surveillance Jammer Vehicle, Low Power Jammer, ATM-based Integrated Ship Data Network, Combat Management System, Laser Seeker, HF Transreceiver, Panoramic Surveillance System and Gap Measuring Device Mk III. Among the many new products introduced during the year, the following merit special attention:

Akash Weapon System: It is a medium-range, surface-to-air missile system, which provides air defence against multifarious air threats like aircraft, helicopters, UAV, Remotely Piloted Vehicle (RPV) and cruise missiles to mobile, semi-mobile and static vulnerable forces and areas. It employs command guidance, real-time multi sensor data processing and threat evaluation and relies on phased array radar to guide the missile, till intercept.

HUMSA-NG: It is an advanced new generation, hull mounted, medium-range, medium-frequency sonar using single transducer array, which meets the present day Anti Submarine Warfare needs. The system is equipped with state-of-the-art technology, including high performance hardware, and employs well-proven signal-processing algorithms.

Semi-Ruggedised Automatic Exchange (SRAX Mk II): It is a Semi Ruggedised Automatic Digital Telephone Exchange with voice/data/video conferencing features. It supports legacy, Voice over Internet Protocol (VoIP), Combat Net Radio and other latest interfaces. It has been developed by BEL with indigenous technology.

Instant Fire Detection and Suppression System (IFDSS) for BMP 2/2K: IFDSS is a micro controller based system for BMP 2/2K, which detects and suppresses fire in the crew and engine compartments.

Mobile Communication Terminal: It is an IP-based Network Centric Solution for secure voice & data communication. It has been developed and manufactured by BEL with indigenous technology.

Low Power Jammer: It is a Communication Electronic Warfare system. It is capable of simultaneously doing functions like search, monitoring, data decoding, recording and replaying of demodulated signal in V/UHF bands. It has been developed by BEL with indigenous technology.

Major Orders Received

During the year 2010-11, the company received many orders. Significant among the high value orders are:

- Akash Weapon System (IAF): Rs.3,619 crores
- Battlefield Surveillance System: Rs.2,539 crores
- Advanced Gun Fire Control System (LYNX U-2): Rs.1,676 crores
- 3D Tactical Control Radar: Rs.1,439 crores
- Passive Night Vision Devices: Rs.950 crores
- National Population Register (Smartcard): Rs.930 crores
- Command Information & Decision Support System: Rs.905 crores
- Schilka Upgrade: Rs.747 crores
- LYNX Upgrade: Rs.415 crores
- D-29 Modkit: Rs.403 crores
- Digital Radio Trunking System (DRTS): Rs.275 crores
- Revathi: Rs.194 crores

Export Performance

- BEL achieved exports of US \$ 41.89 million, which is an increase of 77 per cent over last year's figure of US \$ 23.65 million. The range of products exported are Electronic Components - Vacuum Interrupters, ICs, Power Devices, Small Signal Devices, Solar Cells, etc; Communication equipment – Composite Communication System; Electronic Warfare systems - Radar Finger Printing System accessories, Electronic Support Measure System; Radar systems and

accessories – IFF Interrogator system; Fire Control Systems - Electro Optical Gun Fire Control System; Target Designator Sight, etc; Electro Optical devices and precision parts.

- The countries to which BEL's products have been exported include Malaysia, USA, Canada, Israel, Russia, Nepal, Indonesia, Switzerland, Suriname, Philippines, UK, Germany, Sri Lanka, Netherlands, Zimbabwe, France, Italy and Namibia.
- BEL has an export order book of US \$66.36 million including the Offset order of US \$42.28 million. The export target for 2011-12 is US \$47 million.

New Initiatives

Business Initiatives

BEL's new business initiatives include:

- MoU signed with Sagem, France, in the field of Land Navigation and Artillery pointing applications, based on Sagem's Sigma 30 Inertial Navigation Systems. The MoU shall pave the way for the ToT of Sigma 30 to BEL.
- Technology Collaboration Agreement (TCA) signed with Optelian International Corporation, establishing a long-term partnership between the two companies for the manufacture and design of optical networking systems in India, and deployment throughout the SAARC region.
- MoUs signed with Diehl Defence Holding GmbH, Germany, and Northrop Grumman, USA, for MMRCA programme.
- BEL is in discussions with a reputed foreign OEM on forming an Indian Joint Venture in the area of civilian radars & select defence radars.

- The business plan for setting up a JVC with BHEL for manufacture of Solar PV wafers, cells and modules has been finalised. Both the companies are in the process of obtaining their respective Board approvals.
- BEL is working on establishing a company for the design, development and manufacture of RF and Microwave components and subsystems.

R&D Initiatives & Achievements

- BEL interacts with other development agencies like DRDO, ISRO, CSIR, C-DOT, C-DAC and leading academic institutions like IITs, IISc and NITs for joint development of indigenous technology useful for the country.
- The gross R&D expenditure for 2010-11 was Rs.350 crores (provisional), an increase of 11 per cent over the previous year.
- The turnover from indigenously developed products is 78%.
- A new D&E facility has been opened at Hyderabad Unit for design & development activities in the area of Electronic Warfare systems.
- R&D committees constituted for formulating technology roadmaps in BEL's core areas.
- Core design group formed for Microwave Supercomponents and computing elements.
- Knowledge Management portal created as part of SAP system.
- Around 50 technical papers were published by scientists and R&D engineers of BEL in various national and international journals/seminars/conferences.

- BEL won the SODET Award for Technology Innovation (Gold) for the year 2009-10 for the development of STM-1 Bulk Encryption for IAF network.
- ELCINA-EFY Certificate of Merit Award in R&D(2009-10) was awarded for developing four types of components - Detectors, HMCs, MWTs and Passive Components.
- BEL-Bangalore has won the Technovation Award 2011 under the category of 'Best Electronic Product – Aerospace' for the development of High Voltage Relay Driver ASIC for space applications. The award was presented by India Semiconductor Association.

Manufacturing Initiatives

- Supercomponents facility at Bangalore Complex upgraded for manufacture of Microwave Modules.
- Facility at BEL-Bangalore for the manufacture of 10 million Smartcards.
- Network Centric Systems Division at Bangalore is under modernisation.
- Two Walk-in-Chambers installed and commissioned for environmental stress screening of products.
- Order placed for Humiseal Spray equipment by Military Radar SBU at BEL-Bangalore.
- Chemical polishing facility for Aluminum set up at Machilipatnam Unit.
- EMI/EMC test facility for MIL-STD-461E established at Chennai Unit to help in qualifying BEL's products for EMI/EMC specification.
- X-Ray Machine (DAGE, UK make) installed at Panchkula Unit for inspection of PCBs. Conformal coating booth set up for applying conformal coat in PCBs.

- EMI/EMC Lab, new buildings for Electronic Assembly/Testing of 3-D Central Acquisition Radar and for the Antennae of Weapon Locating Radar, Battery Level Radar and Low Level Transportable Radar projects are being envisaged at Ghaziabad Unit.

Quality Initiatives

- All the Units/SBUs of BEL are aligning their business operations with the CII-EXIM Bank Business Excellence Model and are striving to achieve the award. During the year 2010-11, Milcom SBU and Kotdwara Unit of BEL achieved the second level of recognition: 'Commendation Certificate for Significant Achievement'. Components SBU, Export Manufacturing SBU and Panchkula Unit received the first level of recognition: 'Commendation Certificate for Strong Commitment to Excel', under this award scheme.
- BEL won the ELCINA-EFY Award for Excellence in Quality (first prize) for the year 2010-11.
- The Bharat Electronics Quality Institute has been imparting training on Six Sigma since July 1999 and has trained 1,264 officers so far. During the year 2010-11, 299 Six Sigma projects were completed, resulting in cost reduction, process improvement and customer satisfaction.
- BEL has won the QCI-DL Shah National Award All the Units/SBUs of BEL are aligning their on Economics of Quality under the category 'Projects Submitted by Public Sector & Government Enterprises'. The company also won laurels for Six Sigma projects from Indian Statistical Institute, Quality Circle Forum of India and Symbiosis Institute of Management.
- The company is getting its design engineers certified as Reliability Professionals from the Centre for Reliability, STQC Directorate, Chennai. During the year 2010-11, a total of 28 engineers were certified as Reliability Professionals.

- As part of its endeavour to enhance the customer satisfaction level, the company has been conducting customer satisfaction surveys every year. This survey is being conducted through a third party to bring in objectivity. During the year 2010-11, customer satisfaction survey was conducted for five products and the overall customer satisfaction index was found to be 80.5 per cent.

HR Initiatives

- In order to address the learning and organisation development needs, various management development programmes as well as technology programmes were organised during 2010-11 through premier training institutions for all grades of executives.
- The company-wide per capita training man days for the year 2010-11 was 3.37 as against 3 in 2009-10.
- In order to strengthen the Leadership capability, six programmes (residential) on 360 Degree Feedback and Leadership were conducted and 117 AGMs/Sr DGMs/DGMs attended.
- Three Leadership Review Workshops were conducted in various Units. 37 DGMs/Sr DGMs/AGMs attended the programme. The action plans were reviewed.
- To enable our senior executives to be change agents, 4 programmes on 'Leading the Change' were conducted at MDI, Gurgaon. 88 executives in DGM/Sr DGM/AGM grade attended.
- To enhance marketing skills to compete in a fast changing market, 19 executives were nominated for a 6-months residential Marketing programme at IMI, New Delhi.
- 129 executives attended an Outbound Learning Programme aimed at experimenting and exploring hidden potential in an informal environment.

- A two-day Communication and Presentation Skills Workshop was organised and 154 executives attended the programme.

Environmental Initiatives

- BEL has been maintaining a clean and green environment at all its nine Units, which are all ISO 14001 certified. Clean surroundings, green environment, clean technology, stringent pollution control measures, waste water treatment, zero effluent discharge, rainwater harvesting, energy conservation, water conservation, systematic management and disposal of hazardous and other forms of wastes and several other endeavours have become a part of the well-established Environmental Management System.
- BEL-Bangalore bagged the "Excellent Water Efficient Unit Award 2010" and "Water Efficient Unit (Beyond the Fence) Award 2010" at the 7th National Award for Excellence in Water Management competition held by the Confederation of Indian Industry (CII) at CII-Sohrabji Godrej Green Business Centre, Hyderabad.
- With two Wind Energy Power Plants at Davanagere (2.5 MW) and Hassan (3 MW), BEL has generated so far about 35 Million KWh of energy, thus avoiding tons of greenhouse gases being released into the atmosphere.
- The large-scale rainwater-harvesting reservoir at Bangalore unit has a capacity of over 170 million litres with an annual yield of around 234 million litres. Rainwater harvesting and recharging of bore wells has resulted in increased ground water yield.
- Wastewater generated in the Bangalore factory is treated to meet reusable standards and recycled for production purpose. BEL's Bangalore Complex has an in-built capacity to treat about 900 Kilo Litres of waste water per day (KLPD). Domestic waste water generated in the factory and colony is treated and recycled for horticulture purpose. BEL has an in-built capacity to treat about 1,800 Kilo Litres of domestic waste water per day (KLPD) at its Bangalore Complex.

Awards

- SCOPE Award for R&D & Innovation for the year 2007-08.
- BEL received Raksha Mantri Awards in the categories of Best Performing Division, Import Substitution, Design Effort and Innovation for the year 2008-09.
- BEL employees received the prestigious Prime Minister's Shram Awards for the year 2005, 2006 and 2007 in the categories of Shram Bhushan, Shram Devi, Shram Vir/Veerangana and Shram Shree, respectively. A Senior Technical Assistant of Bangalore Complex was awarded the Prime Minister's Shram Ratna for the year 2008.
- BEL won the Gold trophy for SCOPE Meritorious Award for Corporate Governance for the year 2009-10.
- BEL was selected as the top Indian company under the Electrical & Electronic Equipment , Technology Development sector for the Dun & Bradstreet-Rolta Corporate Awards 2010.
- BEL won the International Aerospace Awards 2011 under the categories of 'Most Influential Company of the Year' and 'Excellence in Innovation'.
- BEL won the Gold prize in the Heavy Industries category of DNA-Dainik Bhaskar India Pride Award (2010) for 'Excellence in PSUs'.

Corporate Social Responsibility

BEL's Corporate Social Responsibility (CSR) Policy has laid down the following broad areas for providing benefit to its stakeholders:

- Health Care • Education • Rural Development • Environment Protection
- Conservation of Resources

BEL Management has implemented several CSR initiatives in the year 2010-11. A few of the initiatives are:

- BEL helped Nightingale's Medical Trust, a Bangalore-based NGO, set up a comprehensive Dementia Care Centre in Bangalore.
- BEL's Ghaziabad Unit donated Rs.6 lakhs to the People for Animals (PFA) for procuring a Mobile Animal Rescue & Rehabilitation Unit. As part of its CSR initiatives, Ghaziabad Unit also gifted a Medicare van to Helpage India and sponsored a physiotherapy centre in Loni village of Ghaziabad district, at a total cost of Rs.9.6 lakhs.
- A new bus shelter has been dedicated to Hyderabad city by BEL's Hyderabad Unit. The bus shelter is located in front of the Unit.
- BEL's Ghaziabad, Kotdwara and Panchkula Units contributed towards the improvement of infrastructure in local government schools. Ghaziabad Unit also provided ambulance and other healthcare equipment to the Palna Home for destitute children, run by the Delhi Council for Child Welfare.
- BEL-Bangalore undertook the 'Shikshana Namma School Library Project' in five government schools in and around Bangalore.
- The Bangalore Unit also provided vehicles to the Indian Red Cross Hospital and Holy Cross Hospital in Bangalore.
- BEL's Hyderabad Unit provided hearing aids to the hearing impaired students of the Helen Keller Institute in Hyderabad.

Outlook for the Future

The year 2011-12 is full of promise and challenges. The opening up of defence sector to private participation has intensified competition. The

Defence Procurement Policy 2011 and Defence Production Policy 2011 encourage indigenous design and manufacture of defence products.

In this scenario, BEL is giving renewed thrust to in-house development, bridging gaps in critical technologies and enhancing HR competencies. The company has strengthened its in-house R&D and is working closely with DRDO labs to introduce new products and systems and consolidate its leadership position. BEL is also looking at diversifying into new areas of defence and civil segments for future growth.

This year, the company will work on strategically important projects such as Battlefield Surveillance System, Command Information & Decision Support System, Akash Weapon System for the Indian Army, Lightweight Portable Radar and EW systems. BEL is aiming to achieve increased growth in Offset business and exports.

With these initiatives, the company is aiming to reach a turnover of Rs. 6,200 crores during 2011-12.

Bangalore

(KESHAVA MURTHY H.V.)

April 26, 2011

ADDL.GEN.MANAGER (CORP.COMM)