

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. 17565/2/SE/NSEC/SEC
03 September 2015

Dear Sir/Madam,

Sub: Management presentation at Analysts Meet on 03 September 2015

In continuation of our communication vide letter No. 17565/2/SE/NSEC/SEC dated 10 August 2015, please find enclosed the copy of the presentation made at the Analyst Meet and the same is being uploaded on BEL website, in compliance with the provisions of Listing Agreement.

Thanking you,

Yours faithfully
For Bharat Electronics Limited



S Sreenivas
Company Secretary

Encls: As stated above.

भारत इलेक्ट्रॉनिक्स लिमिटेड

(भारत सरकार का उद्यम, रक्षा मंत्रालय)

पंजीकृत कार्यालय

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

Bharat Electronics Limited

(Govt. of India Enterprise, Ministry of Defence)

CIN : L32309KA1954GOI000787

Registered Office :

Outer Ring Road, Nagavara,
Bangalore - 560 045, INDIA.

फोन/Phone : +91 (80) 25039266

फैक्स/Fax : +91 (80) 25039233

ई-मेल/E-mail : secretary@bel.co.in

वेब/Web : www.bel-india.in



**Presentation
on
Bharat Electronics Limited**

BEL Overview

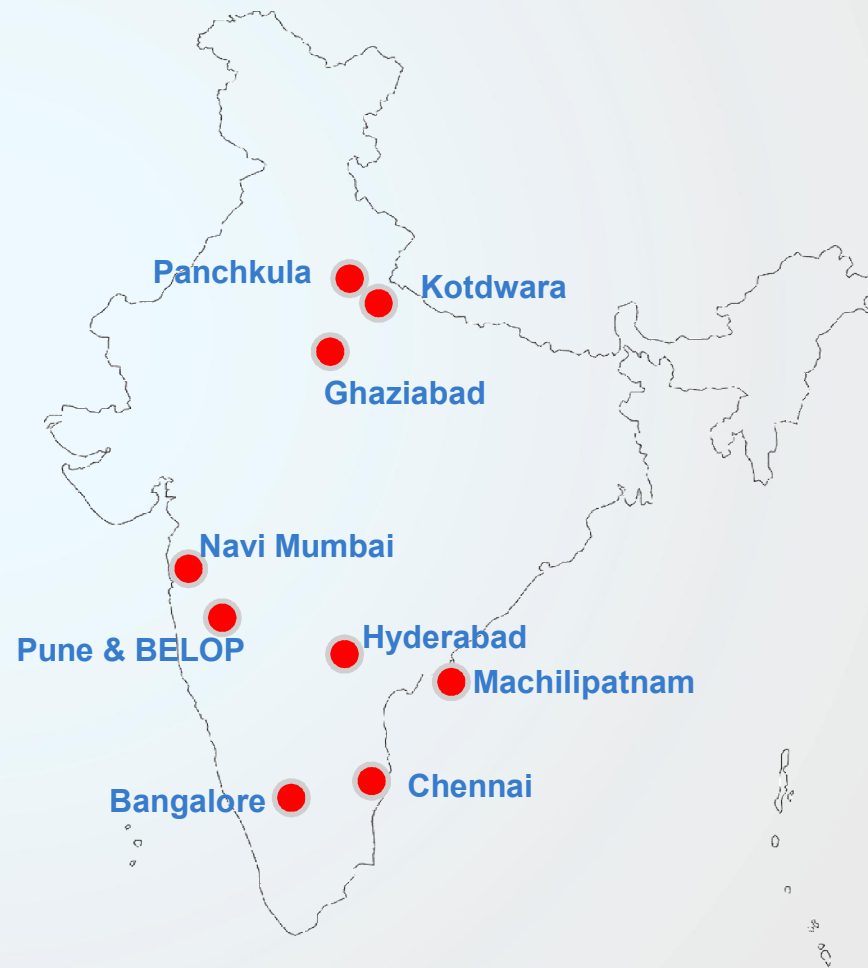
Navratna PSU

- Established in 1954 under MoD
- R&D / Technology driven Company operating in competitive Defence Electronics area
- Manpower: 9703 Employees

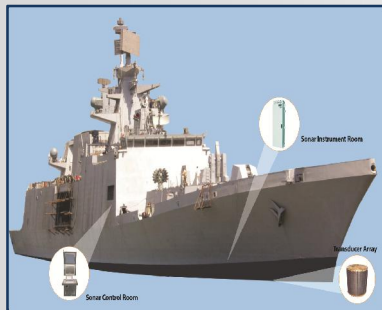
Subsidiary & JVs

- BEL Optronics Devices Ltd
 - Night Vision Image Intensifier tubes
- GE BE Pvt Ltd
 - Medical Electronics Parts, X-Ray Tubes
- BEL Thales Systems Ltd
 - Civil ATM and select Defence Radars

Manufacturing Network



Business Segments



1. Radar & Weapon systems

2. Communication

3. Electronic Warfare

4. Network Centric Systems

5. Anti submarine Warfare

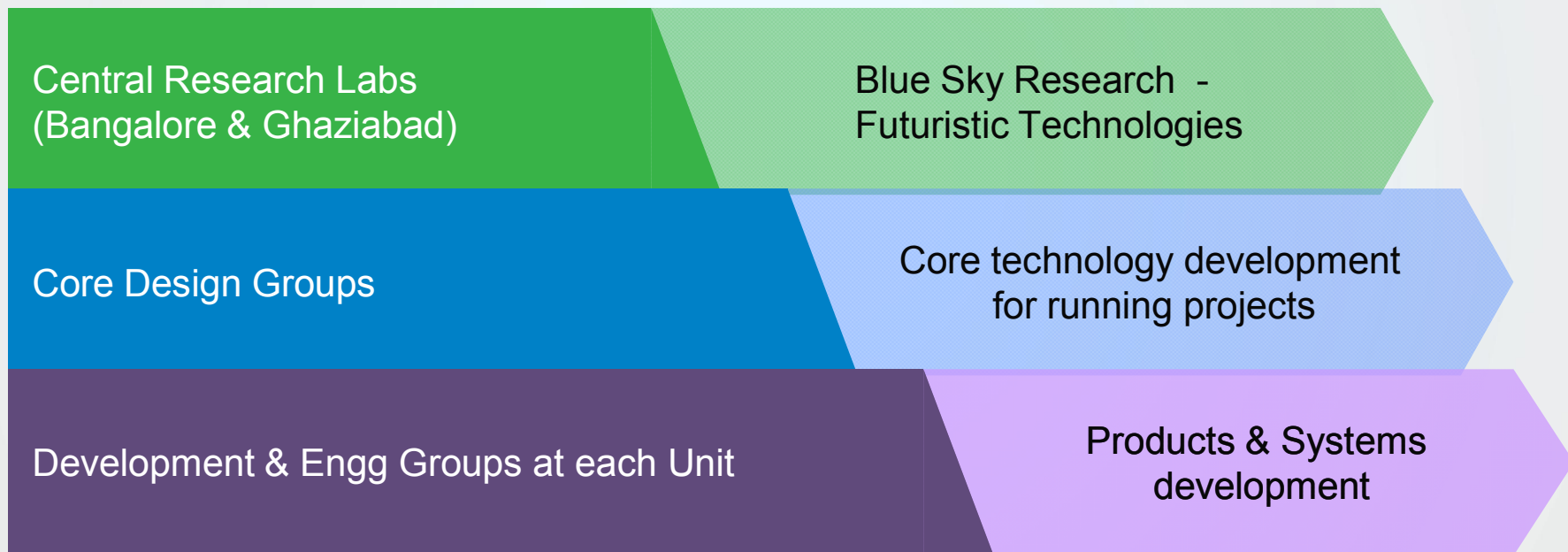
6. Electro-Optics

7. Tank Electronics

8. Civilian Products

Multi product, Multi technology company – Diverse product range

3 Tier R&D structure with 2153 Engineers and 30 R&D Centers



Expansion & Modernization



- **400 Crores annual CAPEX**
- **World class Manufacturing & Test facilities**
 - Super Components Facility
 - Test set up for Missile System
 - Antenna Test Range Facility
 - High Roof hangar for Radar & Antenna Integration
 - Modern Production setup for Airborne applications
 - Environmental Test facilities

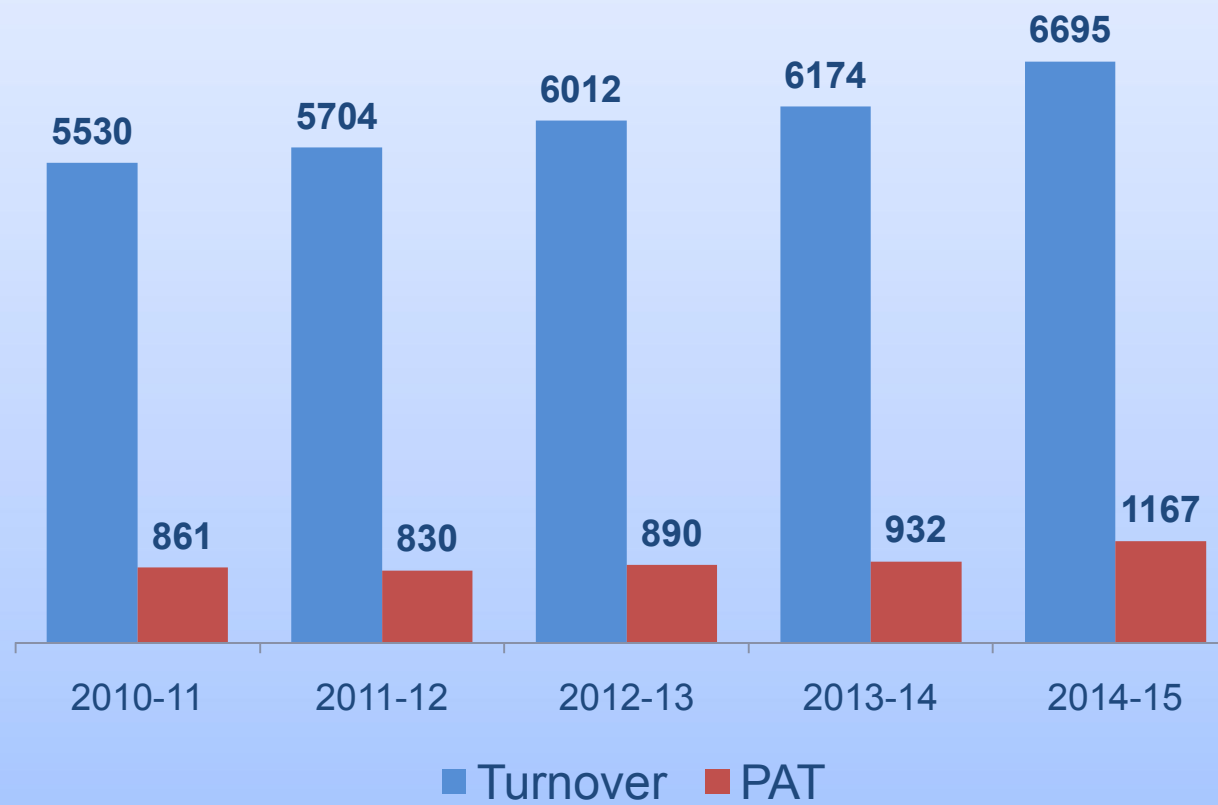


- **Dedicated Business Unit & Marketing Group for Exports**
- **Achieved USD 58 Million during 14-15**
- **Export Initiatives:**
 - Strategic alliances with global OEMs (Elbit, IAI, Thales, SAAB) for joint development / co-production
 - Focus on SE Asian Countries for Communication, Sonars and Coastal Security solutions

- **Major products exported:**
 - Coastal Surveillance System, Hull Mounted Sonar, L Band Radar, Comm. System, EVMs, Radar Finger Printing System, IFF, Radar Warning Receiver
- **Major countries:**
 - USA, UK, Russia, Italy, Myanmar, Brazil, Germany, France, Israel, Indonesia, Honduras, Malaysia, Maldives, Mauritius, Namibia, Seychelles, South Africa

Performance

Rs Crores



Major Orders Executed in 2014-15

- Akash Weapon System
- Passive Night Vision Devices
- 3-D Tactical Control Radar
- Missile Warning System
- Schilka Gun Tank Upgrade
- Laser Range Finder
- Hull Mounted Sonar
- Shipborne EW System (Sanket)
- Fire Control Systems
- Electronic Voting Machines

Major achievements in recent past



Induction of Akash Missile System to Indian Air Force

Akash is a great success story of the '**Made in India**' initiative and BEL is proud to be a part of it

Major achievements in recent past



Inauguration of Coastal Surveillance System at Seychelles by the Hon'ble Prime Minister of India



Inauguration of National Command Communication Intelligence Network by Hon'ble Raksha Mantri

Major achievements in recent past



Handing over of Schilka Air Defence
Weapon System to the Army



Commissioning of INS Kamorta, fitted
with BEL equipment, by Hon'ble
Raksha Mantri

Major achievements in recent past



Successful test firing of Akash
Weapon System (Army, Air Force)



Handing over of 3-D Tactical Control
Radar to the Indian Army

Major achievements in recent past



Incorporation of JV for civilian radars & select Defence radars, BEL-Thales Systems



Elections in Namibia using Electronic Voting Machines made by BEL

Major achievements in recent past



Foundation for the BEL Training Academy laid by the Hon'ble Raksha Mantri



Inauguration of newly built Software Development Centre by the Hon'ble Vice President

Major achievements in recent past



Foundation for the Product Development & Innovation Centre laid at BEL-Bengaluru



Handing over of 60% per cent Interim Dividend for 2014-15 to Hon'ble Raksha Mantri

Scenario 2015-16 & “Make in India” initiatives

Major projects planned during 2015-16

- Akash Missile System
- 3D-Tactical Control Radar
- Low Level Light Weight Radar
- Hand Held Thermal Imagers
- Schilka Gun Tank Upgrade
- L70 Gun Upgrade
- New Generation Hull Mounted Sonar
- Gigabit Ethernet based Ship Data Network
- Combat Management System
- Ship Borne Electronic Warfare System
- Fire Control System
- Electronic Voting Machine

Company is likely to achieve 8-10% growth during 2015-16

'Make in India' – Outsourcing Initiatives

- BEL will be focusing more on core areas and R&D, all non-core areas will be outsourced to Indian Industries including MSMEs
- Inline with approach paper from Ministry, Draft Long term Outsourcing & Indigenization Policy prepared
- 'Make In India' Cell is proposed to be set up to implement BEL's Outsourcing policy
- Nodal officer for Outsourcing & Vendor developed nominated
- Planned to increase 'Contribution from Indian Industries' to 36% (current level 32%) in next 5 years
- Procurement from MSMEs has been increased to 8% during 2014-15 as against 4.73% during 2013-14
- Annually around 800 new indigenous vendors will be added (750 Vendors added during 2014-15)

‘Make in India’ – R&D and Indigenization Initiatives

- Around 80% of turnover is generated from Indigenous Technology
- R&D Investment will be increased to 10% of turnover (current level is 8%)
- Around 115 projects have been identified with a planned outlay of around Rs.118 Crs with 159 Collaborative partners (70 are Indian Private Industries)
- 3 years R&D plan for Indigenous development released
- 45 patents filed
- Setting up of Product Development & Innovation Centre initiated
- Image intensifier tube manufacturing facility being upgraded to XR5 technology
- Proposed to establish fabrication facility for Cooled TI Detectors in the country
- ToT for Artillery Ammunition used in Electronic Fuse project being inducted

New infrastructure augmentation planned

- New Missile Integration Range at Anantapur, Andhra Pradesh
- Test Bed for Missile Systems at Bangalore Unit
- Sonar Transducer Integration & Testing Facility at Bangalore Unit
- Additional Near Field Test Range (NFTRs) at Bangalore & Ghaziabad Units
- Facility to manufacture Zinc Sulphide (ZnS) Domes
- Highly Accelerated Life Test & Stress Screening Facility
- Tactical Communication System (TCS) Test Bed
- Battlefield Management System (BMS) Test Bed
- Robotic Welding facility
- 50MW Solar plants being setup
- Wind Energy Power Plant

Investment of 1500 Crs planned for next 3 years on Expansion & Modernization

Future Outlook

- Radars, Missile Systems, Communication and Network Centric Systems, Tank Electronics, Gun Upgrades and Electro-Optic Systems and Electronic Warfare and Avionics Systems will drive BEL's growth
- Continuous investments in R&D and Modernisation of facilities
- Thrust on Exports, Offsets and Buyer Nominated Equipment
- Company diversification initiatives in the areas of Homeland Security, Smart Cards, Smart City elements and Solar power plants
- Strategies and action plans in place to face competition, maintain technological edge and retain leadership position in strategic electronics

Company is expected to grow with CAGR of 8-10% in next 5 years

Thank You



ANALYSTS MEET

03.09.2015

Balance Sheet

(₹ in Crores)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
EQUITY & LIABILITIES					
Share Capital	80	80	80	80	80
Reserves & Surplus	4,906	5,542	6,224	6,937	7,805
Government Grants	17	15	19	13	9
Non Current Liabilities	261	307	353	363	434
Current Liabilities	7,898	8,914	7,771	7,134	6,872
TOTAL	13,162	14,858	14,447	14,527	15,200
ASSETS					
Fixed Assets (including Capital work in progress)	541	624	737	848	911
Non Current Investments	12	12	12	12	19
Deferred Tax Assets (Net)	181	228	272	299	338
Long Term Loans & Advances & Other Non Current Assets	222	292	210	157	151
Current Assets	12,206	13,702	13,216	13,211	13,781
TOTAL	13,162	14,858	14,447	14,527	15,200

Statement of Profit & Loss

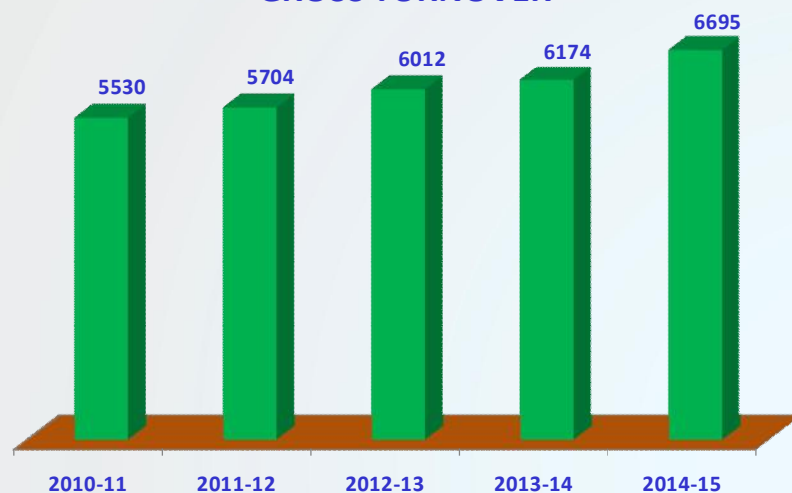
(₹ in Crores)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Value of Production (C&AG)	5,521	5,794	6,290	6,127	6,659
Turnover (Gross)	5,530	5,704	6,012	6,174	6,695
Excise Duty	(58)	(54)	(22)	(52)	(19)
Turnover (Net)	5,472	5,650	5,990	6,122	6,676
Operating Revenue	113	118	113	153	167
Interest Income on Term Deposits	241	569	548	414	420
Other Income	35	16	62	14	58
Total Revenue	5,861	6,353	6,713	6,703	7,321
Material Consumption	3,129	3,669	4,085	3,584	3,745
Changes in inventories of Finished Goods, WIP & Scrap	9	(90)	(278)	47	36
Employee Benefits Expense	1,042	1,081	1,111	1,030	1,264
Finance Cost	1	1	1	3	1
Depreciation / Amortisation	122	120	130	142	154
Other Expenses	417	493	543	723	655
Total Expenditure	4,720	5,274	5,592	5,529	5,855
Profit before exceptional & extraordinary items & Tax	1,141	1,079	1,121	1,174	1,466
Prior Period Items (Net)	20	(4)	(6)	1	1
Profit for the year Before Tax	1,161	1,075	1,115	1,175	1,467
Provision for Tax	300	245	225	243	300
Profit for the year After Tax	861	830	890	932	1,167

VoP (C&AG) = Gross Turnover - Changes in Inventories of finished goods, WIP & Scrap

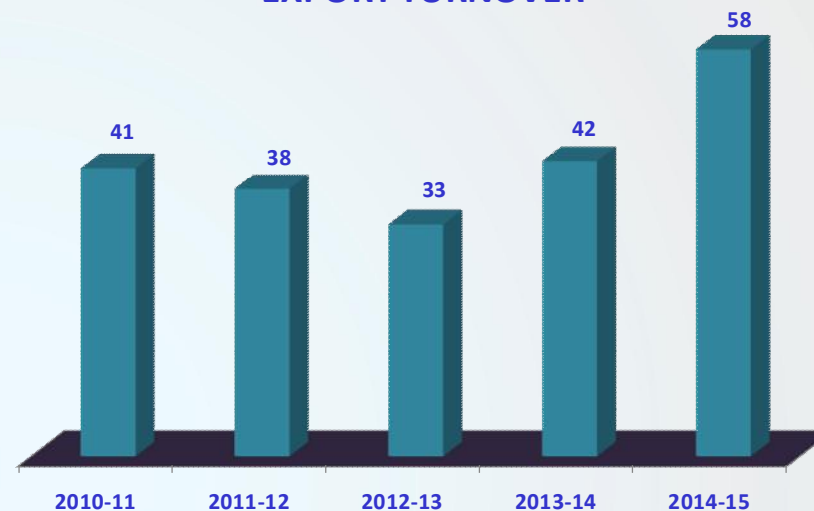
GROSS TURNOVER

(₹ in Crores)



EXPORT TURNOVER

(US\$ Million)



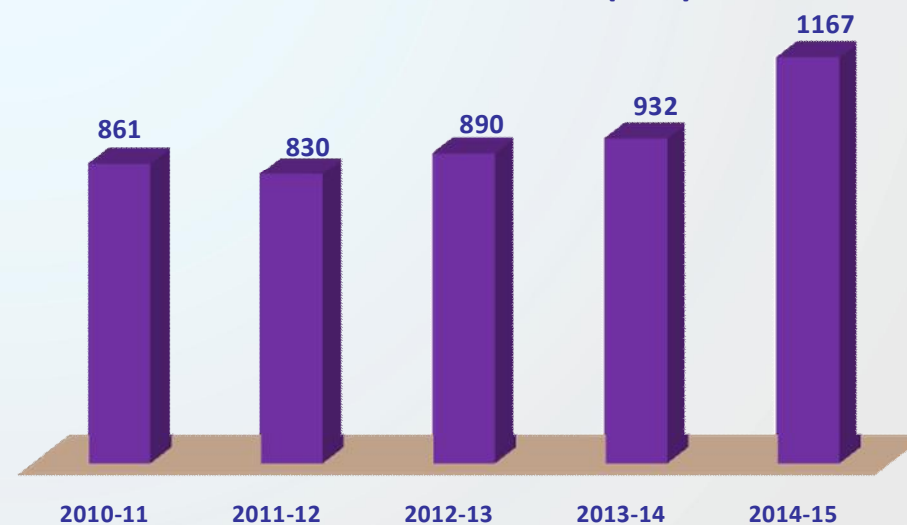
PROFIT BEFORE TAX (PBT)

(₹ in Crores)

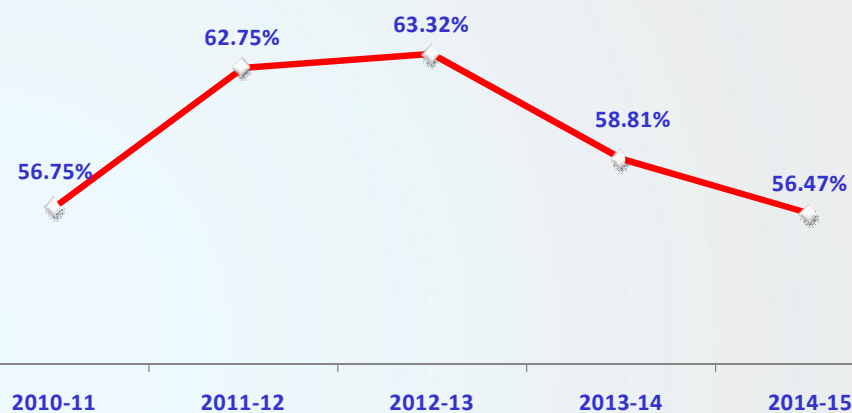


PROFIT AFTER TAX (PAT)

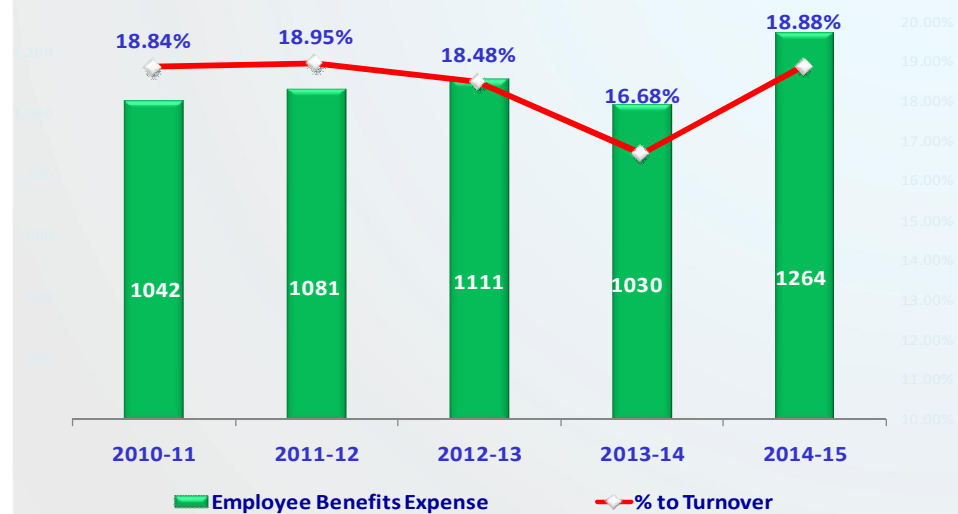
(₹ in Crores)



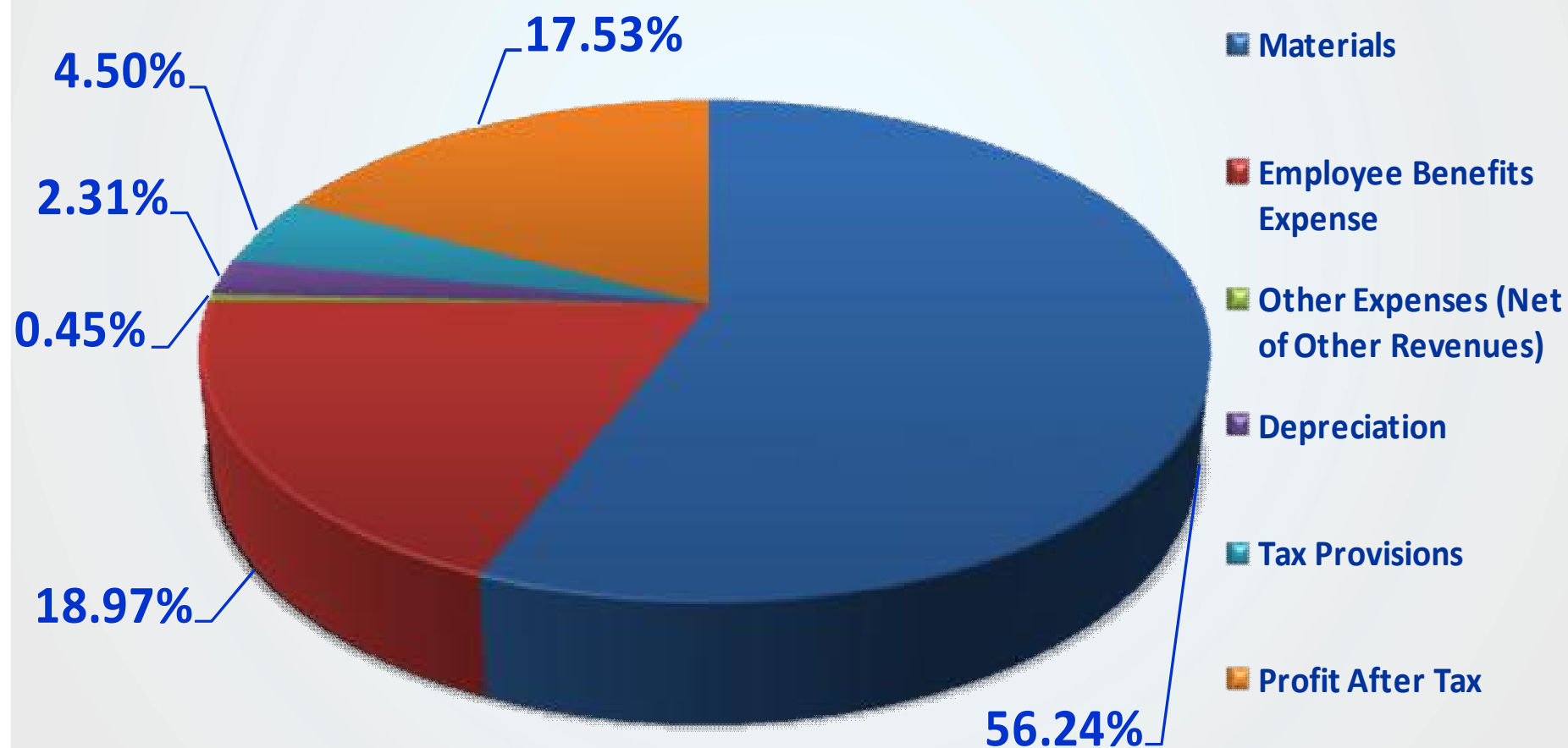
MATERIAL CONSUMPTION TO TURNOVER



EMPLOYEE BENEFITS EXPENSE TO TURNOVER

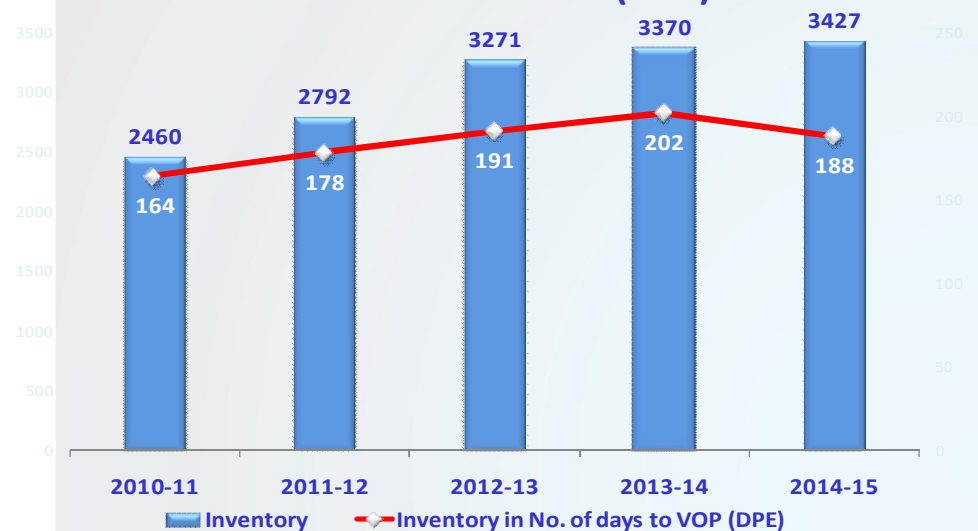


2014-15 - VOP
HOW A RUPEE EARNED IS DISTRIBUTED



INVENTORY TO VOP (DPE)

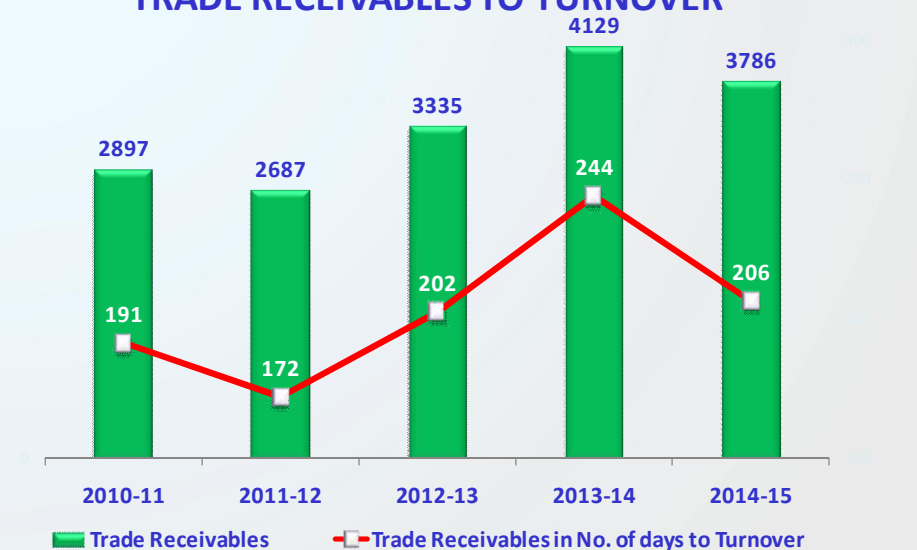
(₹ in Crores)



VoP (DPE) = Net turnover – Changes in Inventories of FG, WIP & Scrap

TRADE RECEIVABLES TO TURNOVER

(₹ in Crores)



EBITDA to TURNOVER

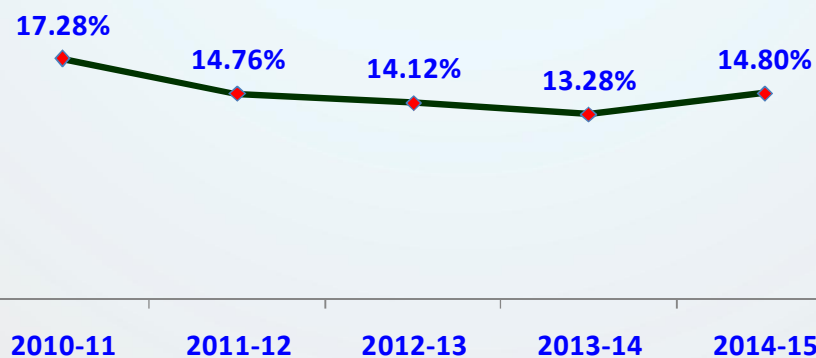


RETURN ON CAPITAL EMPLOYED



Return on Capital Employed = PAT / Capital Employed

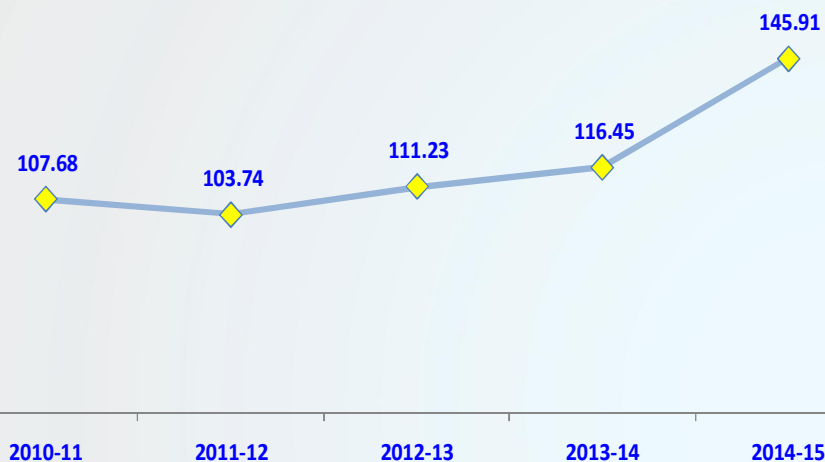
RETURN ON EQUITY (RoE)



Return on Equity = Profit After Tax / Net Worth

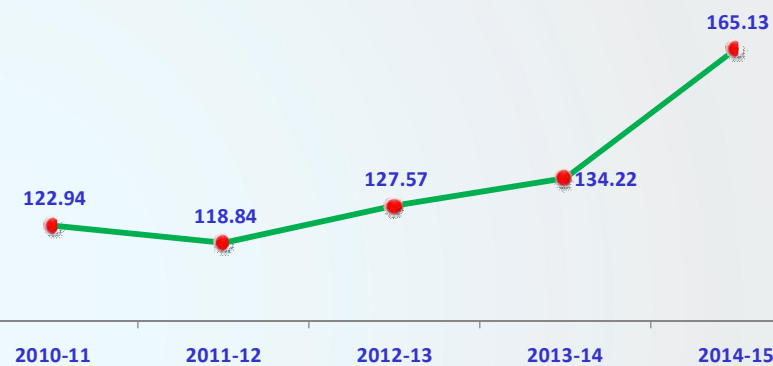
EARNING PER SHARE

(in ₹)



CASH EARNING PER SHARE

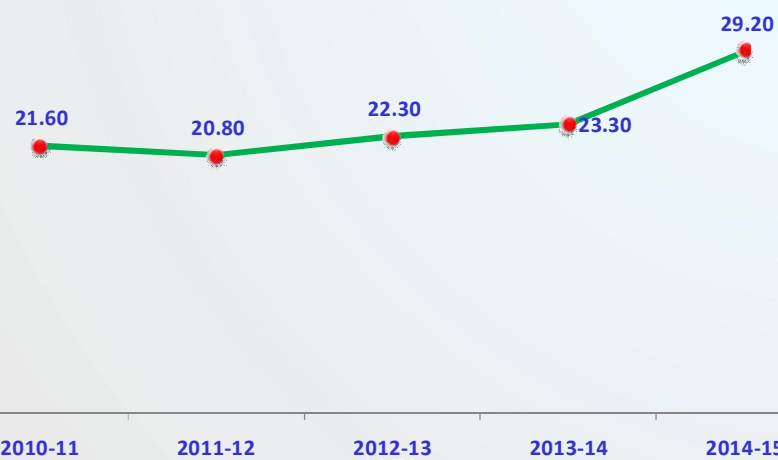
(in ₹)



Cash Earning Per Share = (PAT + Depreciation) / No. of Shares

DIVIDEND PER SHARE

(in ₹)

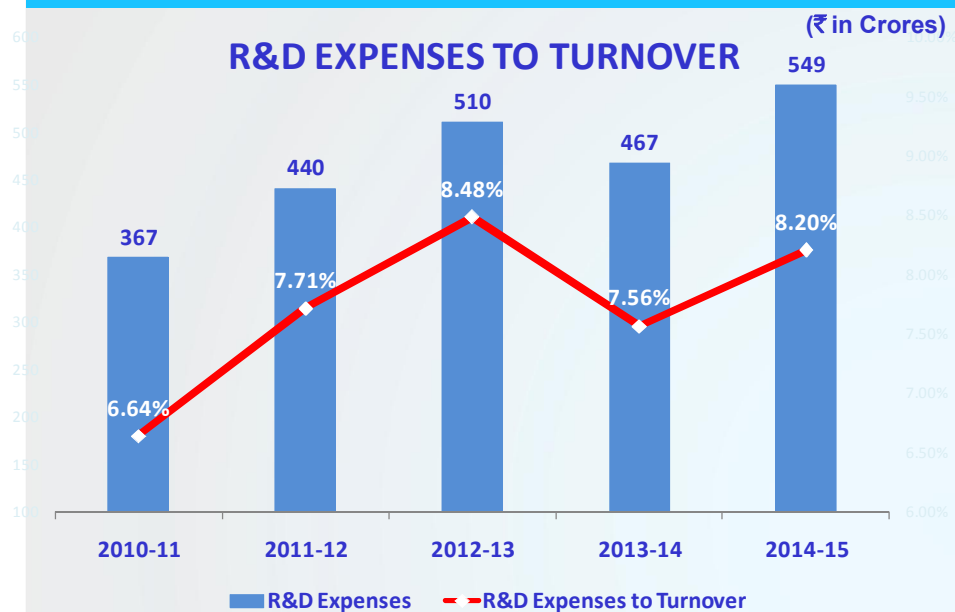


DIVIDEND RATE

(in %)



Note: Excludes Dividend Tax



CAPITAL EXPENDITURE/INVESTMENT

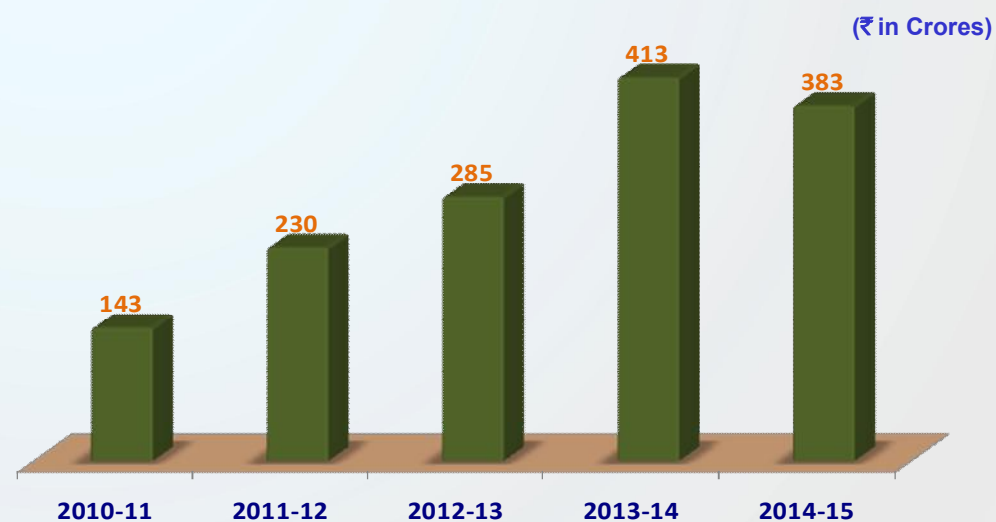
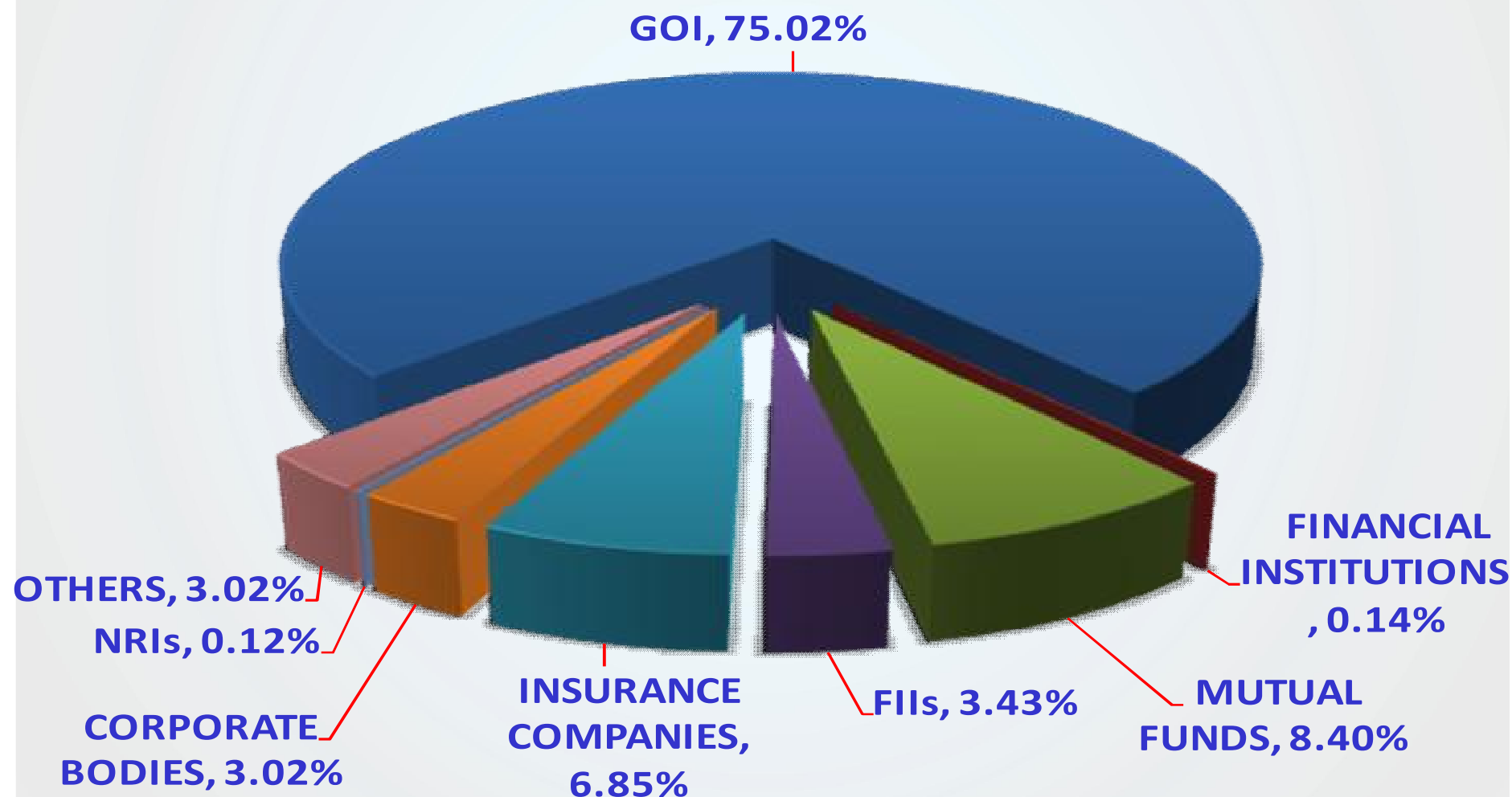




Figure inside the bar is the Market Price, which is the average of closing prices on NSE for each year

Shareholding Pattern as on 31st March, 2015



QUARTERLY PERFORMANCE

Statement of Profit & Loss

(₹ in Crores)

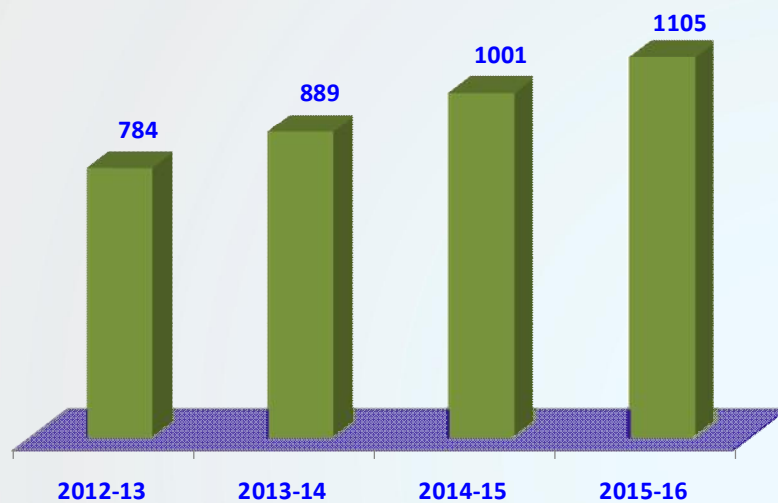
Particulars	2012-13	2013-14	2014-15	2015-16
Value of Production (C&AG)	905	931	945	1,166
Turnover (Gross)	784	889	1,001	1,105
Excise Duty	5	4	4	36
Turnover (Net)	779	885	997	1,069
Operating Revenue	18	14	16	26
Interest Income on Term Deposits	157	109	105	120
Other Income	6	3	10	6
Total Revenue	960	1,011	1,128	1,221
Material Consumption	650	604	596	751
Changes in inventories of Finished Goods, WIP & Scrap	(121)	(42)	56	(61)
Employee Benefits Expense	286	302	298	312
Finance Cost	-	-	-	-
Depreciation / Amortisation	31	34	36	40
Other Expenses	88	91	108	99
Total Expenditure	934	989	1,094	1,141
Profit for the period Before Tax	26	22	34	80
Provision for Tax	7	5	8	19
Profit for the period After Tax	19	17	26	61

SALIENT FEATURES OF PERFORMANCE IN **2015-16 (1ST QTR)**

- **Turnover (Gross) increased from ₹ 1000.52 Crores in 2014-15 to ₹ 1105.34 Crores in 2015-16, a growth of 10.48%.**
- **Export Turnover increased from 4.94 US\$ M in 2014-15 to 15.13 US\$ M in 2015-16, a growth of 206.75%.**
- **Profit Before Tax (PBT) increased from ₹ 33.34 Crores in 2014-15 to ₹ 79.76 Crores in 2015-16, an increase of 139.26%.**
- **Profit After Tax (PAT) increased from ₹ 25.61 Crores in 2014-15 to ₹ 60.70 Crores in 2015-16, an increase of 137.08%.**
- **Earning Per Share (EPS) increased from ₹ 3.20 in 2014-15 to ₹ 7.59 in 2015-16.**

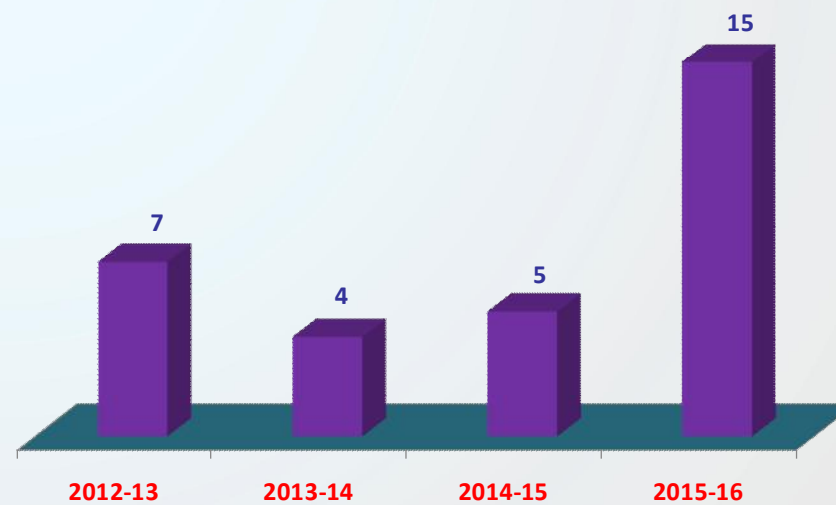
GROSS TURNOVER

(₹ in Crores)



EXPORT TURNOVER

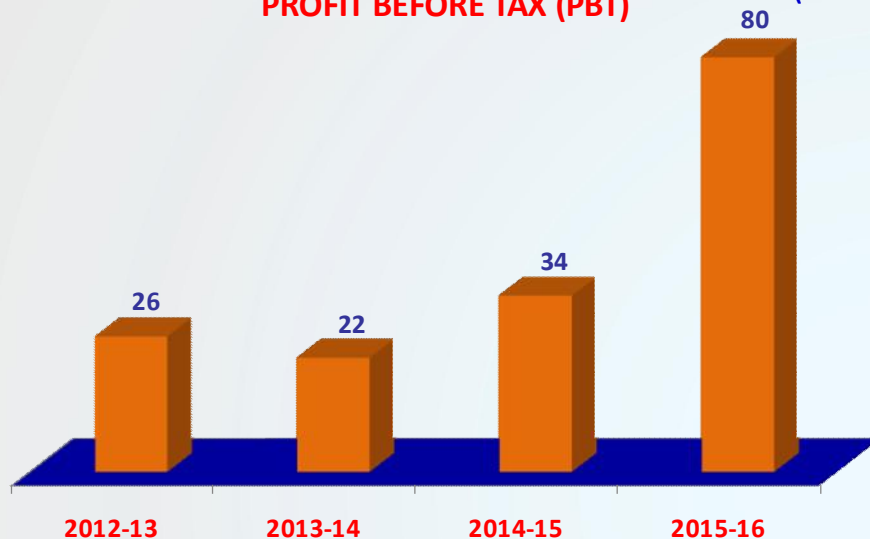
(US\$ Million)



1st Qtr Results

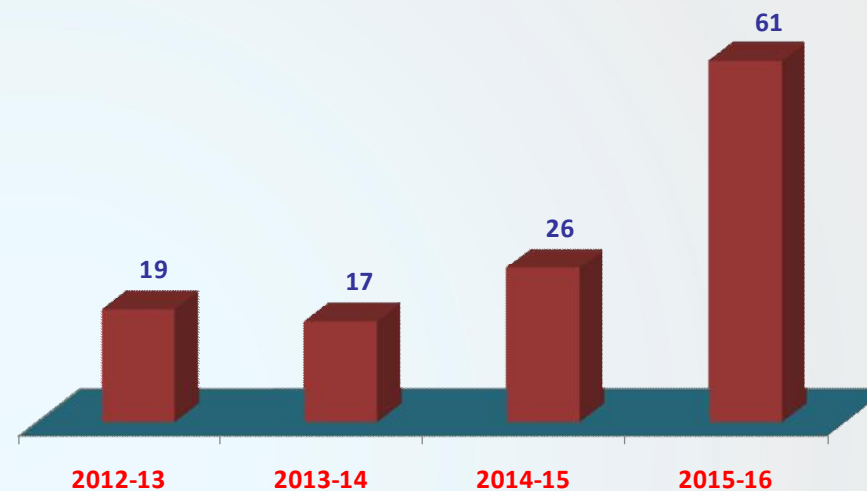
PROFIT BEFORE TAX (PBT)

(₹ in Crores)

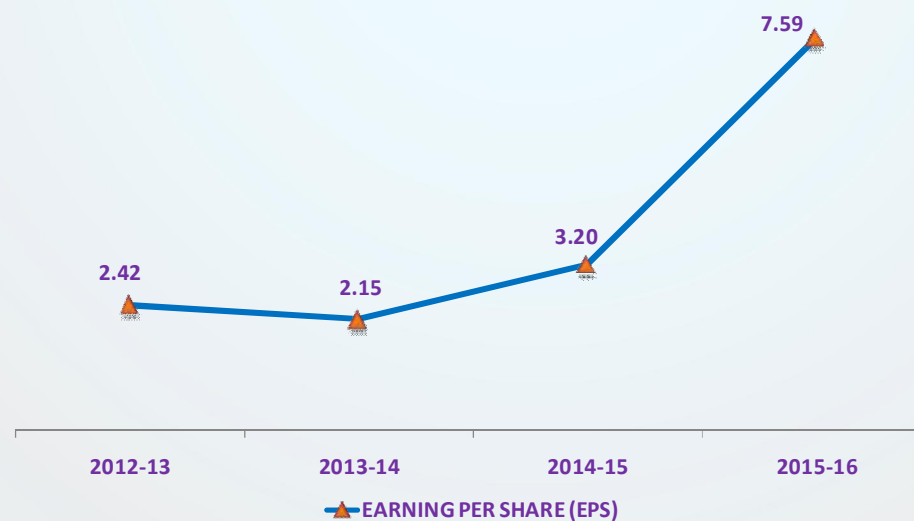


PROFIT AFTER TAX (PAT)

(₹ in Crores)



EARNING PER SHARE (EPS)



Thank You