

Bharat Electronics Ltd

Information for Investors

Highlights of 2012-13

Order book as on 01.04.2013 : ₹ 24949 Crs

Orders received during 2012-13 : ₹ 5255 Crs

Major orders acquired during 2012-13 :

National Population Register

Radar & Sonar for Myanmar

Mobile Cellular Communication System

HUMSA New Generation

Electronic Support Measure System for small ships (Sanket 'S')

Infrastructure for Akash (6 Sqdn)

Advanced Composite Communication System & Sanket for Pipavav

AMC for Surveillance Radar Element

Export order book as on 01.04.2013 : 94.08 US\$M

Turnover from indigenous products : 78 %

Defence : Non Defence turnover : 85 : 15

Major supplies during 2012-13 :

Akash Missile System (2 Sqdn) – Supply completed

Akash Missile System (6 Sqdn) – 1st Sqdn supply commenced

Passive Night Vision Devices

Central Acquisition Radar

Mast for Long Range Reconnaissance and Observation System

National Command Control Communication and Intelligence (NC³I)

Fire Control System

Hand Held Thermal Imager

Electronic Support Measure System for small ships (Sanket 'S')

JV with Thales approved by FIPB, Government approval awaited

Turnover from major segments during 2012-13 : Radar & Fire Control System (33%)
Weapon System (15%)
Communication (15%)
Electronic Warfare & Avionics (8%)
Electro Optics (7%)

Outlook for 2013-14

Company has signed MoU for ` 6750 Crs (Turnover) for the year 2013-14

Order expected during 2013-14 : around ` 6000 Crs

Major orders expected during 2013-14 :

Weapon Locating Radar

Missile Warning System

Mobile Cellular Communication System

Passive Night Vision Devices

Hand Held Thermal Imager with Laser Range Finder

Major projects planned for execution during 2013 - 14 :

Akash Missile System (6 Sqdn)

Akash Missile System (Army)

3D Tactical Control Radar

Low Level Light Weight Radar

Shipborne EW System

Missile Warning System

Upgradation of Schilka

Central Acquisition Radar

Passive Night Vision Devices

Low Intensity Conflict Electronic Warfare system

Mast for Long Range Reconnaissance and Observation System

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- **Expected order intake of Rs 6,000 – 8,000 cr in FY14E and order booking expected to improve with Rs 18,000cr of order pipeline in the near term and a long term order pipeline of Rs 40,000 – 50,000cr including big ticket orders like Tactical Communication System (TCS) and Battlefield Management System (BMS).**
- **Most of the challenges and bottlenecks in FY13 in terms of BPC clearance, delay in certain projects and low margin execution stage of passive night vision devices has been addressed. Hence going forward expect good progress in revenue with better profitability.**
- **Current infrastructure is sufficient to generate Rs 10,000cr p.a. of revenue.**
- **Forex risk has been negated to a large extent with the planned hedging of the exposure not covered under ERV clause.**
- **The working capital is expected to normalize with the improvement in collections and reduction in work in progress under inventories.**
- **Lower tax rate is due to higher investment in R&D at ~8-9% of sales, this is expected to continue hence the tax rate likely to remain at these low levels.**
- **The joint venture with Thales is in the approval stage, expect good offset opportunity from the MMRCA deal.**
- **BEL has taken various strategic measures in terms of Product Development Centre, coupled with focus on specialized SBU thereby improve the utilization and reduce cycle time of project execution resulting in cost rationalization.**
- **The MOU target of Rs 6,750cr is for “Very Good” rating and the company is confident of achieving the same.**
- **The general trend of 80-85% of revenue from defence business to continue going forward, BEL currently has ~65% market share in strategic defence electronics in the domestic market and with focus towards R&D is confident to maintain the share.**