

भारत हेवी इलेक्ट्रिकल्स लिमिटेड Bharat Heavy Electricals Limited

कॉर्पोरेट संचार
Corporate Communication



PRESS RELEASE

Surge in BHEL's Profit: PBT up by 152 %, PAT up by 63 %

Huge Leap of 74% in Order Booking

Declared Total Dividend of 91 % on Enhanced Equity

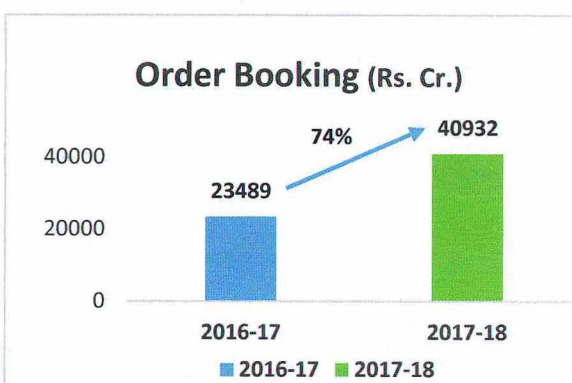
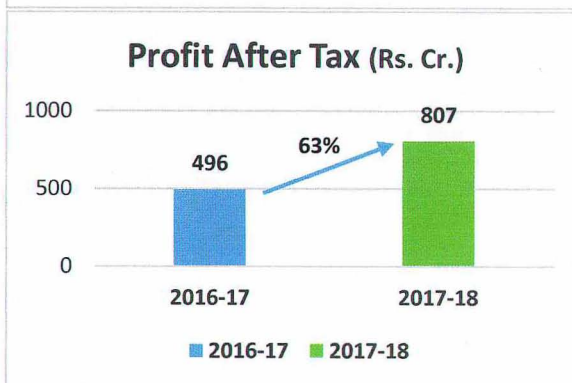
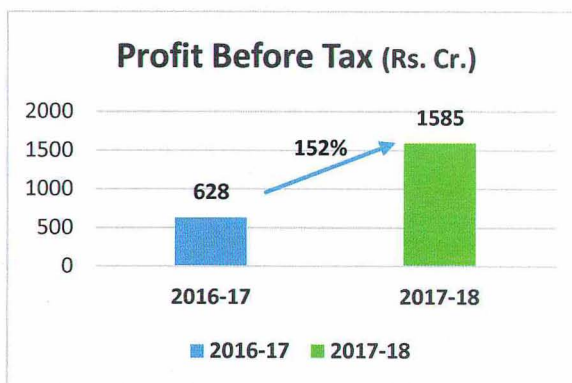
100% Market Share in Thermal Power Projects

Diversification to Drive the Next Wave of Growth

New Delhi, May 29: As a result of strategic initiatives taken, Bharat Heavy Electricals Limited (BHEL) has registered quantum growth in its profit and order booking in fiscal 2017-18, ending the year with significant traction in growth drivers.

During the year, the company achieved a profit before tax (PBT) of Rs 1585 Crore, compared to a PBT of Rs. 628 Crore in the year before, registering a surge of 152%. Net profit (PAT) for the year stands at Rs. 807 Crore, against Rs. 496 Crore in the previous fiscal, a 63% jump. Maintaining the trend of topline growth for the second consecutive year, BHEL has also recorded a turnover of Rs. 27850 Crore, as against Rs. 27740 Crore in the previous year. Notably, on a comparable basis, the turnover for FY 2017-18 would have been higher by Rs. 488 crore totaling to Rs. 28338 Crore, a jump of 2.2 % over the previous year, considering the duties & taxes on bought-out items & Civil Turnover which were forming part of the turnover in pre-GST regime.

For the fourth quarter ending on 31 March 2018, the PBT stood at Rs. 1140 Crore against



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Rs. 269 Crore in the previous year—a jump of 324 %. PAT was declared as Rs. 457 Crore as against Rs. 216 Crore last year, registering a jump of 112 %. The turnover for the quarter was Rs.9833 Crore as against Rs. 9479 Crore in the last year.

An interim equity dividend of 40% has been paid for 2017-18, on the enhanced equity following a bonus issue earlier in the year, maintaining the track-record of paying dividends uninterrupted since 1976-77. In addition, the company has recommended a final dividend of 51 %, subject to the approval of shareholders. With this, the total dividend for the year 2017-18 would stand at 91 %, on the enhanced equity. This will be the highest dividend in last four years.

Prudent strategies of garnering higher market share in a shrunken and highly competitive business environment enabled BHEL to book orders worth Rs. 40,932 crore in FY 2017-18. Significantly, this is a quantum jump of 74% over FY 2016-17. The orders comprise of Rs.33,342 Crore in the Power segment and Rs.7,590 Crore in the industry and overseas segments combined. Significantly, BHEL has maintained its leadership position with 100% market share in the conventional thermal power equipment business. With this, BHEL has ended the year with a total order book of over Rs. 1,18,000 crore—highest in last five years.

Focus on increased localisation of supercritical technology, higher technology depth, and design optimization enabled the company to enhance its competitiveness and strengthen its leadership in the power plant and associated equipment segment of the Indian utility market. Notably, all the orders for new thermal units are on Engineering, Procurement and Construction (EPC) basis and have been won outbidding Indian and multinational equipment suppliers under International Competitive Bidding (ICB).

Major orders won in the power sector include: 3x800 MW Patratu Supercritical Thermal Power Plant (STPP) Ph-1 from Patratu Vidyut Utpadan Nigam Limited (PVUNL - a subsidiary of NTPC Ltd. in Joint Venture with Jharkhand Bijli Vitran Nigam Limited); 2x660 MW Udangudi STPP from Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO); 1x660 MW Panki STPP from Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) and 1x660 MW Bhusawal STPP from Maharashtra State Power Generation Co. Ltd. (Mahagenco). This comes close on the heels of the revival of the largest ever order in October 2017 in the power sector—Rs. 20,400 crore order for 4000 MW Yadadri Thermal Power project; being executed by BHEL on EPC basis.

In the nuclear segment, BHEL secured an order for the supply of Steam Generator package (4 SGs) for 2x700 MWe Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) Units-1&2 through Domestic Competitive Bidding (DCB).

Significantly, enhanced thrust on enlarging non-coal business has resulted in an upsurge with order inflows from the industry sector business segment at the highest level in the last six years. This includes highest ever orders won in transportation, defence, aerospace and water business resulting from our unflinching focus on increasing non-coal business. In the Industry



sector business segment, significant orders have been won for a wide variety of products and systems in captive power, oil & gas, transportation, defence & aerospace, renewable energy, water business, power transmission & distribution and various other Industrial segments.

Breakthrough orders have been received in the water business segment with a foray into lake purification under the Smart City segment with order from Raipur Smart City Limited and the first ever order in the Municipal segment from Raipur Development Authority for construction of 6 Nos. decentralised sewage treatment plants. Significant orders have also been secured in the renewable segment including the first ever orders from Gujarat and Himachal Pradesh, largest ever order for supply of solar photovoltaic (SPV) modules from EESL and rooftop SPV orders from Telangana and Sports Authority of Andhra Pradesh, besides the highest rating SPV order for 75 MW SPV power project from GIPCL. In the transportation segment, the company has bagged orders for thirty 3-phase IGBT-based WAG-9H Electric Locomotives from the Railway Board after a gap of over one decade.

In the defence and aerospace segment, orders have been secured for 76/62 mm Super Rapid Gun Mount (SRGM), the most distinctive armament on Indian Naval warships, from the Indian Navy and Mazagon Dock Shipbuilders Ltd. Prestigious orders have also been received for 24 sets of pressure vessel parts from LPSC – ISRO and heat exchanger for LCA Tejas Programme from HAL.

Continuing with the strategy of building capacity and capability through in-house resources, and collaboration with global technology leaders, the company has entered into a technology collaboration agreement with Kawasaki Heavy Industries Ltd., Japan for the manufacture of stainless steel coaches and bogies for Metro Rail. As part of its diversification strategy, BHEL has also entered into a Technology Transfer Agreement with Indian Space Research Organisation (ISRO) for the manufacture of space-grade Lithium-ion cells of various capacities utilising the technology developed by ISRO at its Vikram Sarabhai Space Centre (VSSC). This transfer of technology will enable BHEL to manufacture Lithium-ion cells, in-house, for ISRO and other suitable applications.

The company is putting in a series of efforts for sustained growth & profit in the future and utmost priority is being given to expeditious order execution, efficient resource utilization and enhanced speed of response. Simultaneously, the company is building new sources of strength with focus on leadership in core business and developing people & digital capabilities.

