



Q4 & FY21 Results

Supplementary Information
Chief Investors Relation Officer
Bharat Heavy Electricals Ltd.
June 12th , 2021

Introduction

- **Context**

- Subsequent to the declaration of the results of Q4 & FY21 on NSE, BSE and www.bhel.com post approval from the Board, following supplementary information is shared for the interest of broader investor community.

- **Cautionary Statement**

- Statements in this “presentation” describing the company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company’s operations include global and Indian demand supply conditions, finished goods prices, cyclical demand and pricing in the company’s principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.

Business environment – green shoots!

- Demand for **power to revive** with easing of lockdown and improvement in economic activity
- Production-linked incentive (PLI) schemes likely to **boost local manufacturing**
- Infra-led demand & pricing environment likely to catapult major **capex in steel sector**
- Capex push by Govt drove a sharp **rebound in GFCF** growth to 10.9% YoY in 4QFY21 (vs. 2.6% YoY growth in the previous quarter) - strongest growth in the last eight quarters.
- Driven by sharp improvement in growth in manufacturing sector (6.9% YoY), **industrial activity registered ~7.9% YoY growth in 4QFY21** vs. 2.9% YoY in the previous quarter. Leading to acceleration in GVA growth to 3.7% YoY in 4QFY21.
- Resurgence of Covid-19 infections and any possible slow pace of vaccination remain risk to the recovery.

Pipeline of major tenders in Indian Power Sector

- 3x800 MW Talabira, NLC
- 1x800 MW Adilabad, SCCL
- 2x660 MW Pench, Adani Power
- 2x800 MW Singrauli, NTPC
- 2x800 MW Lara, NTPC
- 1x800 MW Sipat AUSC, NTPC
- 2x660 MW Neyveli, NLC
- 4x130 MW Teesta HEP, NHPC
- 4x135 MW Kwar HEP, CVPPPL
- 4x205 + 1x30 MW Ratle HEP, NHPC
- 12x240 MW Dibang HEP, NHPC
- Multiple FGD packages

Focus on project completion

- Despite pandemic related shortage of labour, supply chain disruption and financial constraints with customers **3839.48 MW Utility** power generation sets, **119.5 MW Captive/ Industrial** sets, **170.7 MW of Solar** PV plants were commissioned/synchronized. In addition, 6 units of Kaleshwaram Lift Irrigation System (LIS) totaling to 644 MW were completed during the year.
- (Record) Eight projects closed ‘technically’ in FY21(Nil in FY20) , i.e. 100% punch points liquidated with customer For Q4FY21, focus on project deliveries lead to:
 - **Capacity Addition:**
 - Unit 3&4, 4x150 MW Kameng HEP, NEEPCO, AP
 - Unit 1, 2 & 3, 4x270 MW Bhadradi TPS, TSGENCO, Telangana
 - Unit 2, 2x500 MW NNTPP, NLC, TN
 - Unit 2, 2x800 MW Gadarwara STPP, NTPC, MP
 - Unit 6, 2x660 MW (ESP Scope) Tanda TPS, NTPC, UP
 - Unit 2, 3x660 MW (SG & ESP Package-BHEL Scope) Nabinagar STTP, NTPC , Bihar
 - Unit 1, 4x270 MW Bhadradi TPS, TSGENCO, Telangana- **Commissioning done in the peak of nation-wide lockdown**
 - **Synchronizations:**
 - Unit 3 (700 MWe), Kakrapar Nuclear Power Plant (KAPP) with Nuclear Steam, NPCIL, Gujarat
 - Unit 8, 2x660 MW Suratgarh STPP, RRVUNL, Rajasthan
 - Unit 2, 2x800 MW (SG & ESP Pkg.) Darlipalli STPP, NTPC, Odisha
 - Unit 3, 3x660 MW (SG & ESP Pkg.) Nabinagar STPP, NTPC , Bihar
 - 30 MW STG of SMC Power captive power plant
 - Synchronizations of various solar projects, including 50 MWp Dhuvaran, GSECL, Gujarat; 5 MWp Floating SPV plant Simhadri, NTPC AP; 24 MWp Yellandu, SCCL, Telangana

Order Book – Maintained momentum with pole position in Nuclear & Hydro

Order Book, Rs Cr	Power	Industry	Exports	Total
Received, FY21	8,984	4,283	205	13,472
Total, as on 31.03.21	84,179	11,344	6,567	1,02,090

- L1 bidder in NPCIL tender for 6x700 MW Turbine Island package (approx. Rs 10,800 Cr) – **retained market leadership** as the sole Indian supplier of **Nuclear Steam Turbines**
- **Maintained leadership in FGD (~40 % market share)** by garnering orders of FGD pkg for 2x500 MW Tuticorin, 1x800 MW North Chennai Stg III and boiler modification order of 2x660 MW Udangudi
- **Bagged orders worth Rs 3,555 Cr in Hydro, highest ever** that include E&M works for 12x80 MW Polavaram HEP; pump-motor sets for 8x145 MW Palamuru Rangareddy LIS Stg-1; 4x138 MW Kaleshwaram LIS link II; 6x125 MW Kaleshwaram LIS Project Link IV
- **Maiden order in new growth area - Downstream Oil & Gas EPC** of SRU IOCL Paradip. Other prominent orders in Industry segment include **supply of spacecraft propellant tank parts for Chandrayaan-3** from ISRO, NALCO 1x18.5MW STG, 1X300TPH PF Boiler, EPC 75 sets of Propulsion for AC MEMUs, 87 sets of IGBT based propulsion equipment.
- Favorably placed in:
 - Steam Generators (700 Mwe, 12 Nos.) for nuclear power plants based on PHWR technology
 - 2x660 MW NTPC Talcher main plant package
 - Shree Singaji Stage-II TPS, and a number of other orders for FGD, and boiler modifications.

Delivering reliable equipment for over 5 decades

- Thermal power generating sets engineered & manufactured by BHEL generated 544.19 Billion Units of electricity – **55.5% of the total thermal power generation in India**
- BHEL's thermal sets continued to **demonstrate excellence** with an Operating Availability (OA) of 87.6% and 216 thermal sets registered OA above 90%.
- 18 thermal sets achieved Plant Load Factor (**PLF**) **above 90%** and 35 thermal sets achieved PLF between 80% and 90% (National Avg PLF -54.5%)
- 3 sets clocked **uninterrupted operation** over 300 days
- BHEL's **first supercritical set** – Barh Unit-4 (660 MW) clocked 50,158 hours of uninterrupted operation and OA of 98.2%
- BHEL's supercritical sets at Kothagudem-12 achieved a PLF of 87.2% and OA of 93.6%
- BHEL- manufactured Nuclear sets registered an OA of 82.4%. Four **nuclear sets clocked uninterrupted operation** for 300-365 days, three sets clocked uninterrupted operation between 200 and 300 days and six sets clocked uninterrupted operation twice for more than 90 days.
 - Narora Unit 2 clocked uninterrupted operation for more than 852 days, the second highest among nuclear sets in India.
 - Kaiga Unit 1 operated at 99% capacity factor. (Unit 1 had earlier created a world record of continuous operation for 962 days)

BHEL's **39-year old subcritical unit at Singrauli-1** (200 MW) has clocked over 3,05,000 hours of operation and achieved a **PLF of 100.5%** and **OA of 98.2%**

Diversification focus brings maiden successes

- **Oil & Gas:**

- **First-ever LSTK order** for Process Unit for Downstream Oil & Gas sector from IOCL, Paradip for Sulphur Recovery Unit (525 TPD) against stiff competition. With the execution of this breakthrough order, BHEL will establish itself as an LSTK player for Process packages in the Downstream Oil & Gas sector
- **First-ever order for 650 MT Fractionator Column** from HRRL, enabling BHEL to qualify for high tonnage (CDU/VDU) columns, vessels in future projects
- First-ever order for hot oil heater package for Purified Terephthalic Acid (PTA) unit of IOCL, Panipat

- **Aerospace & Defence:**

- Working protocol signed with Zorya Ukraine, Indian Navy and BHEL, for localization of manufacturing of **Marine Gas Turbine Aggregates** in India- A step towards Atmanirbhar Bharat in Defence equipment production

- Maiden Indigenous Aircraft Carrier (IAC) - INS Vikrant successfully completed basin trials at Kochi on 30 Nov 2020, wherein BHEL has supplied the **Integrated Platform Management System (IPMS)**
- **Appreciation letter** received from **ISRO's** Liquid Propulsion Systems Centre (LPSC), for completion of manufacturing of Central Rings for Chandrayaan-3 Project in record time

- **Others:**

- Development, testing & supply of **9000 HP WAG-9HH Locomotives** with BHEL propulsion electrics, including 1200 KW 3-phase traction motors for Indian Railways
- Signed MoUs with international majors in the fields of Maglev Train, and Armoured Trucks
- Solar business restructured by converting it into a profit center as 'Solar Business Division' to improve cost competitiveness and execution performance

Actively **seeking partnerships with global OEMs** in new business areas like propulsions systems, Industry 4.0, EPC works in Oil & Gas etc.

Making In India for over 5 decades – Focussing on indigenous development

- Invested Rs. 725 Crore (**4.5% of Turnover**) during FY21 on R&D and filed 526 patents/copyrights.
- BHEL along with consortium partners NTPC and IGCAR **successfully completed** technical aspects of **R&D phase** of Advanced Ultra Super Critical (**AUSC**) **Technology**
- **Indigenization** of critical Flue Gas Desulphurization (**FGD**) plant components like Oxidation blower along with its auxiliary system, Wet Ball Mills etc.
- Successfully manufactured and tested (short circuit) India's highest rating 500 MVA 400/220/33 kV Auto Transformer, at the National High Power Test Laboratory (NHPTL) at Bina, MP- new benchmark in the global transformer industry.
- **Indigenization of propulsion equipment** (Traction & Auxiliary Converter, Train Control Management System) for MEMU in progress
- Supply of first indigenously developed 500 kW Main Motor Generator required for strategic application of **Indian Defence forces**.
- **Indigenous development of high efficiency** Passivated Emitter and Rear Cell (PERC) technology **solar cells** - the maximum efficiency achieved in the developed PERC solar cells is 21.7% with an average efficiency of 21.08%
- Separate 'Make in India' business vertical formed.

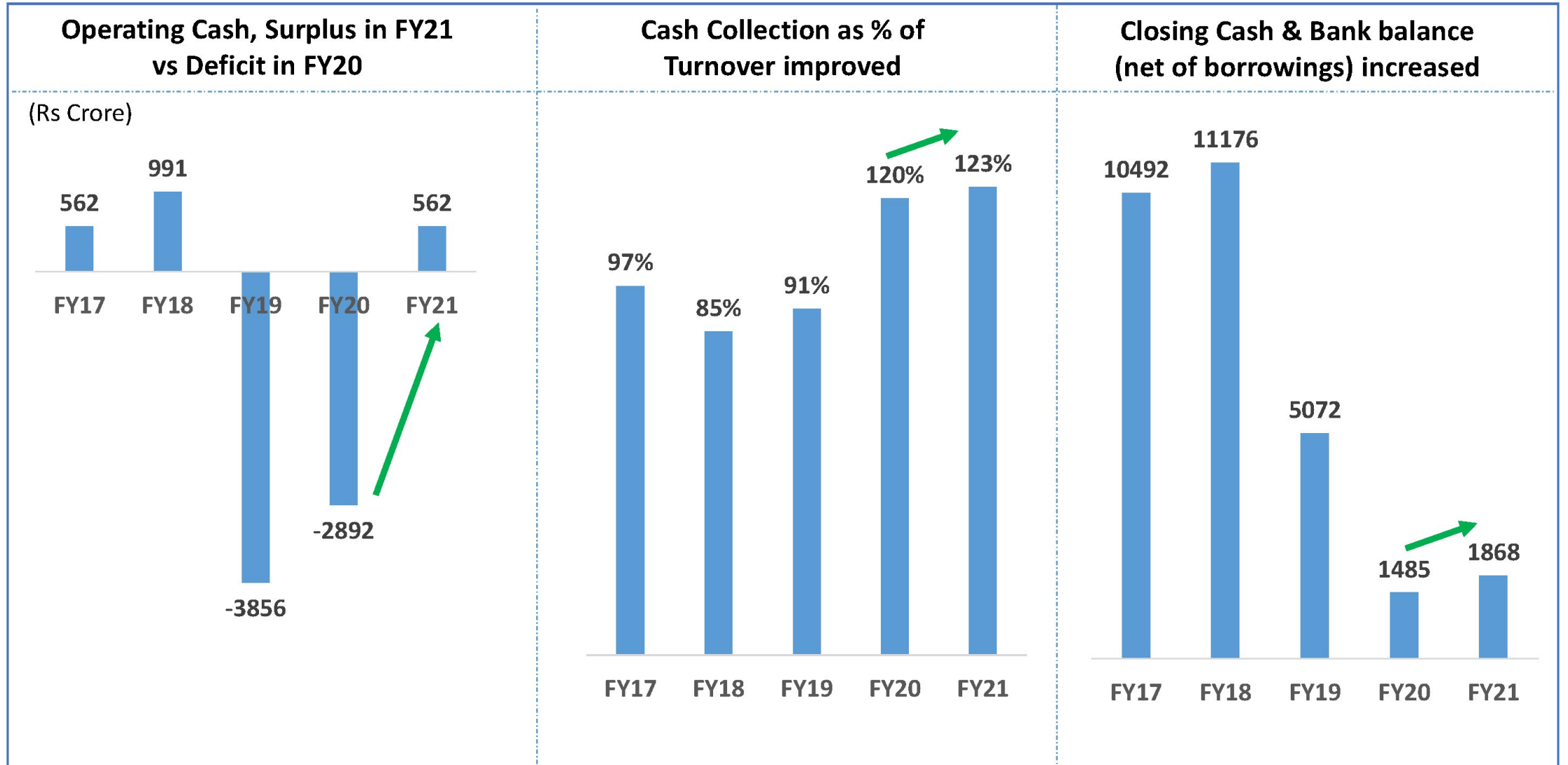
Notable successes

- **Hon'ble Prime Minister of India dedicated** 2x500 MW lignite based Neyveli New Thermal Power Station to the Nation in Feb 2021. The project, with BTG EPC works done by BHEL, is based on Once Through and Tower Type Boiler design- **first time in the country**
- Unit#3 of Kakrapar Nuclear Power Plant (KAPP) synchronised with Nuclear Steam has BHEL supplied Steam Turbine and Generator Package – **India's first of its kind, highest rated, 700 MWe PHWR Reactor.**
- Kameng HEP (4x150 MW), the **largest unit rating** (150 MW) hydro project in AP has BHEL designed Francis Turbines capable to operate at a rated head of 501 meters highest head Francis Type Hydro Turbine in country
- To contain spread of **Covid-19**, developed **atomized liquid sanitizing equipment**, BHEL MISTER. More than 150 nos. of BHEL MISTER delivered to customers.
- Total installed capacity of ground-mounted + rooftop Solar Systems in BHEL reached 28 MWp for captive use. The total energy generated through these systems during the year stood at nearly 23.58 Million Units till Feb 2021 resulting in **carbon footprint avoidance** of 22,628 MT CO₂-e.
- Received 'Best Performance Award' from **Chennai Port Trust** for **highest tonnage** handled for exports.
- Haridwar Unit of BHEL won the prestigious Platinum recognition of **CII EXIM Bank Award** for Business Excellence 2020- after fourteen years.
- Won Institute of Chartered Accountants of India's National Award 2019-20 for **Excellence in Financial Reporting**- after nearly four decades.

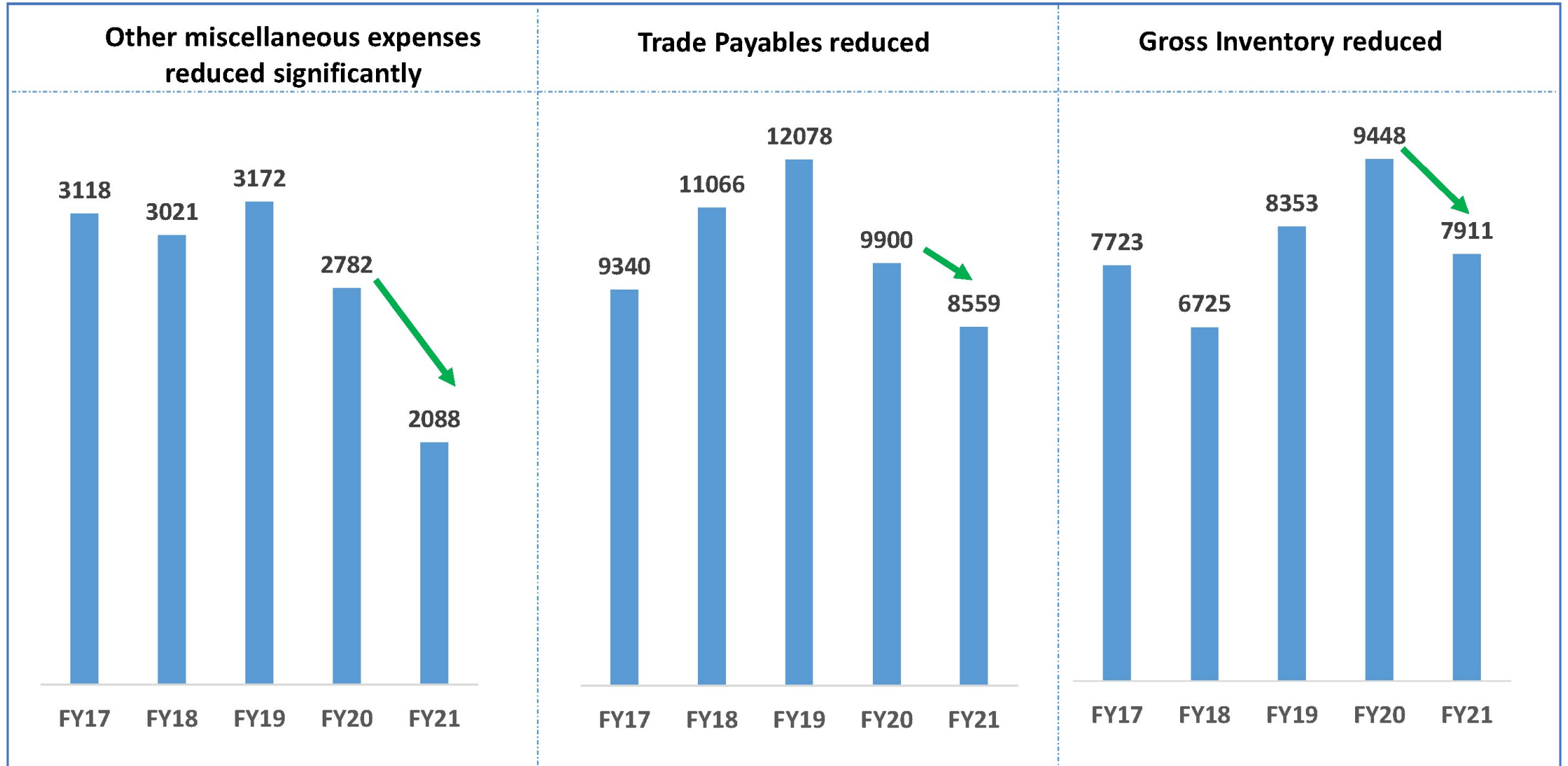
Financial performance

Rs Crore	Q4FY21	Q4FY20	FY21	FY20
Turnover	6,752	4,594	16,296	20,491
EBITDA	(1,180)	(414)	(2,765)	348
Profit before Tax	(1,385)	(709)	(3,612)	(662)
Profit after Tax	(1,033)	(1,534)	(2,717)	(1,473)

FY21 – Cash, the Focus



Other Financials, Rs Crore



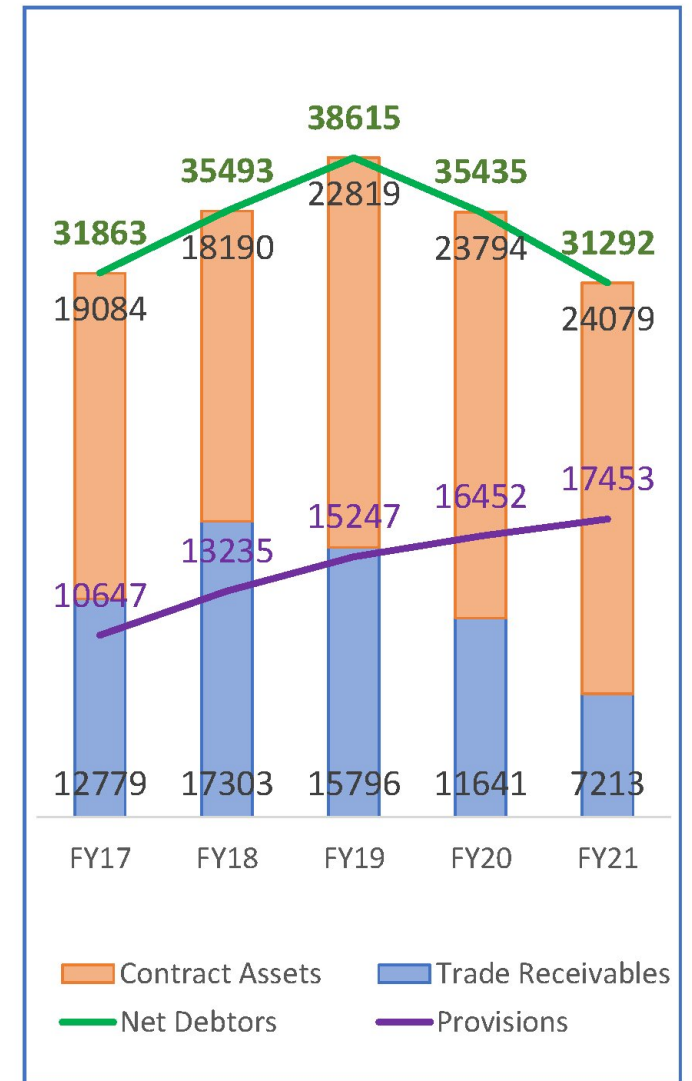
Accounts receivables

Rs Crore	FY21	FY20
Trade Receivables	7,213	11,641
Contract Assets	24,079	23,794
Total	31,292	35,435

Details of total receivables and their distribution among various customer categories :

Category	Central Utilities	State Utilities	Private Sector	Exports
Share, %	36%	43%	13%	8%

- Total Receivables reduced by Rs. 4143 Cr. (Rs 31,292 Cr in Mar'21 vs Rs. 35,435 Cr in Mar'20), lowest in last 10 years
- Significant realization of dues despite pandemic, and stressed financial condition of customers.



Provisions

Rs Crore	Q4FY21	Q4FY20	FY21	FY20
Creation	2,435	1,720	3,593*	3,064
Withdrawal	1,196	1,451	2,404	3,055
Write off	216	63	278	224
Net Provisions	1,455	332	1,467	233

- *Additional merit-based one-time provisioning around Rs 1800 Cr in FY21 - improved quality of assets in the Balance Sheet



Thanks!

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