

# **BHEL**

*Brightening lives...  
...Powering progress*

**3rd April, 2007**

Press Conference Address by

**Shri Ashok K. Puri**

Chairman & Managing Director, BHEL

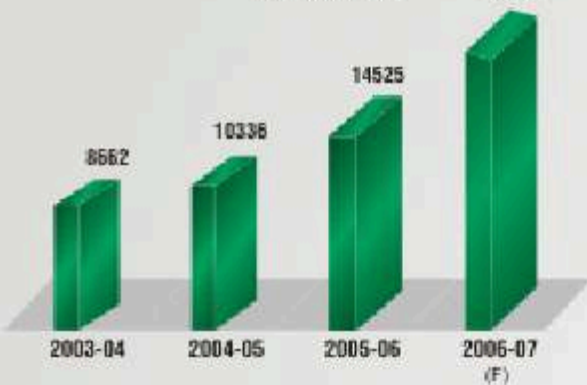
on the Company's performance  
during 2006-07





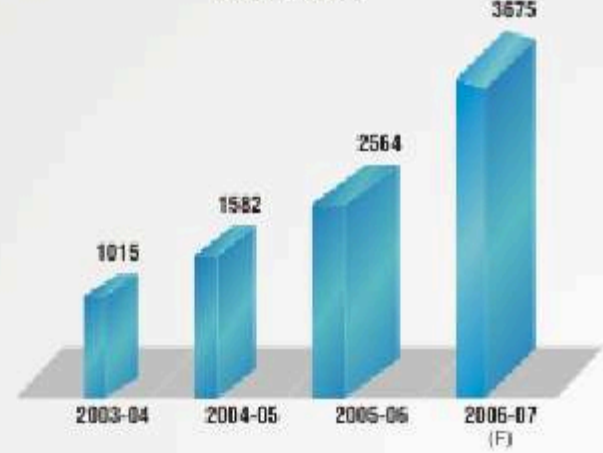


**TURNOVER**  
(Rupees in Crore)



Turnover doubles in three years

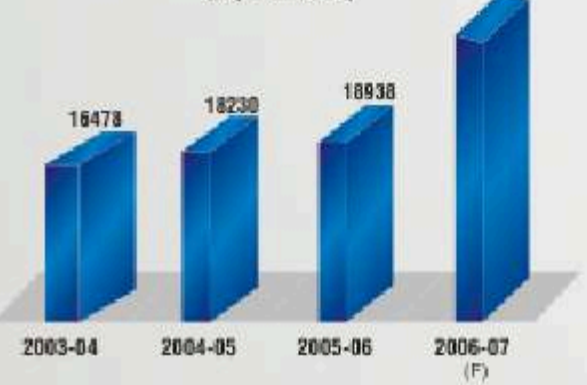
**PROFIT BEFORE TAX**  
(Rupees in Crore)



Manufacturing capacity to be enhanced to 15,000 MW p.a.

R&D spend up by 58%. Turnover from in-house developed products doubled from last year

**ORDERS INFLOW**  
(Rupees in Crore)



New performance benchmarks of BHEL make sets:  
+ 6 sets achieve PLF of 100%  
+ 75 sets achieve PLF of over 90%

**EARNINGS PER SHARE**  
(Rupees)



**BHEL surges ahead on high-growth impetus; Doubles Turnover to US \$4 billion in three years; Plan to reach US \$10 billion by 2011-12**

	2005-06	2006-07 (Prov.)	change
Turnover (Rs. Crore)	14,525	18,702	↑ 29%
Profit Before Tax (Rs. Crore)	2,564	3,675	↑ 43%
Net Profit (Rs. Crore)	1,679	2,385	↑ 42%
Economic Value Added (Rs. Crore)	1,079	1,532	↑ 42%
Orders Inflow (Rs. Crore)	18,938	35,633	↑ 88%
Earnings per share (Rs.)	68.6	97.4	↑ 42%
Value Added per employee (Rs. lakhs)	13.34	17.33	↑ 30%

- Major parameters double : Turnover and Orders inflow in three years and Profit Before Tax and Net Profit in two years.
- Capacity to 10,000 MW p.a. proceeding apace. Plans to expand this to 15,000 MW p.a. during XI Plan period. Along with super-critical technology, BHEL geared up to meet the requirements of XI Plan and beyond.
- 11 of the 12 power stations awarded with the Govt. of India's **Gold Shield for excellent performance on 21 March, 2007 are equipped with BHEL sets**, once again reinforcing the reliability and quality of BHEL's equipment.
- BHEL make 200/210/250/500 MW thermal sets, which form the backbone of the country's thermal generating capacity, operated at a PLF of 83.5% and OA of 88.7%. Notably, 75 sets achieved PLF of over 90%. Significantly, 6 BHEL make thermal sets of various ratings operated at record PLF of 100%.
- BHEL built thermal sets generated 7.2% more power during the year compared to that of last fiscal (2005-06). Overall, BHEL built sets contributed to 73% of the power generated in the country during the year, and account for nearly 65% of India's total installed power generating capacity.
- Breakthrough in HVDC business with a contract for setting up ± 500 kV, 2500 MW HVDC terminal stations at Ballia and Bhiwadi in consortium with Siemens AG.
- Expansion of global footprint by foraying into a new market – Tajikistan besides successfully entering a host of new market segments in Sudan, France, Egypt, Afghanistan, Bangladesh, Sweden and Oman.
- Largest gas-based power plant commissioned by BHEL on EPC basis - 600 MW Western Mountain Power Project in Libya.
- Highest capacity Hydro Power Station engineered, supplied and commissioned by BHEL - Six units of 170 MW, Tala HEP in Bhutan.
- BHEL's R&D spend was Rs. 238 Crore – 58% higher than the previous year. In the continuous effort to develop new cutting-edge technologies and improve manufacturing processes through R&D, BHEL has added a Centre of Excellence for Surface Engineering (COE-SE) – the fourth in the series.
- A 'Strategic Plan 2012' for ensuring a sustainable profitable growth for the company has been drawn up to enable the company's turnover to grow from US \$ 4 billion to 10 billion by 2011-12. The plan focuses on capacity and capability enhancement that will leverage the company's efforts in its core area of power, supported by industry, transportation, transmission, exports and spares & services businesses.
- As part of ongoing capability upgradation and capacity expansion programme, a state-of-the-art Instrument Calibration Centre has been established to help enhance the precision and accuracy of Performance Guarantee Test of thermal sets of various ratings, thereby supporting BHEL's efforts to meet the challenging capacity addition target of XI Plan.



- A year of accolades and recognitions - Business Standard's 'Star Company – Public Sector Award' for the year 2006; Only PSU in - Top 10 wealth creators in the last 10 years in Business Today survey, Top 10 companies in terms of market capitalization in The Economic Times ET500 and Forbes Asia Fabulous 50 list of the best of Asia-Pacific's publicly-traded companies with revenues or market capitalisation of at least \$5 billion.
- BHEL became the first Public Sector Company in the country to win the coveted 'PRIZE', under the CII Exim Award Scheme through its Haridwar unit getting the prestigious recognition for business excellence, as per the globally recognized model of European Foundation for Quality Management.
- One of the country's highest civilian honours - 'Padma Shri' for the year 2006, conferred on BHEL employee, Mr. Khalid Zaheer by the President of India.
- BHEL received MoU Excellence Award for 2004-05 and Merit Certificate for MoU Excellence for 2005-06.
- The Hon'ble Prime Minister will present later this month, eight Shram Awards to 14 BHEL employees including the only Shram Bhushan for the year 2004 - highest-ever in a single year.

*In sync with the buoyancy in the Indian economy, especially in the infrastructure and capital goods sectors, BHEL recorded an exceptional high-growth performance with across-the-board gains on all parameters in its areas of operation. The company also reaffirmed its commitment to the Indian Power Sector by equipping itself for the future, by way of technology, facilities and trained manpower to meet the country's power forecast for the XI Plan and beyond.*

### FINANCIAL PERFORMANCE

- Continuing on its high growth path of last three years, BHEL recorded a turnover of Rs.18,702 Crore, an impressive growth of 29% over the previous year.
- Net Profit (PAT) was Rs.2,385 Crore against Rs.1,679 Crore in the previous year. Profit Before Tax (PBT) was Rs.3,675 Crore, during the year. Consequently, an all-time high interim equity dividend of 125% was paid for fiscal 2006-07, maintaining the track record of paying dividends uninterruptedly for the last 31 years.
- Earnings Per Share (EPS), reached Rs.97.4 - registering an increase of 42% over that achieved in 2005-06.
- Net Asset Value (NAV) per share stood at Rs.365.3 indicating an increase in the intrinsic strength of the company.
- Economic Value Added (EVA) at Rs.1,532 Crore was an increase of 42% over that of Rs.1,079 Crore in 2005-06 - commendable performance for an engineering company.
- Value Added per employee increased to Rs.17.33 lakh from Rs.13.34 lakh in 2005-06.
- Total export turnover (Physical + Deemed) reached Rs.6,355 Crore. Physical exports at Rs.1,029 Crore witnessed a jump of 38.9% compared to previous year.

*BHEL's track record of being one of the top wealth creators in the country has once again been reaffirmed in a survey of top wealth creators in the country conducted by Business Today Magazine. In the survey, BHEL has emerged among the top ten wealth creating corporates of the country and as the No.1 wealth creator among PSUs, in the last ten years.*

*BHEL's performance was also recognized by the prestigious publication 'Forbes Asia', which featured BHEL in its second annual 'Fabulous 50' list of the best of Asia-Pacific's publicly-traded companies having highest long term profitability, sales & earnings growth as well as gains in stock price. Significantly, BHEL is the only Indian PSU to figure on the elite list.*



### ORDERS INFLOW

Record order inflows in all areas of operations have led to an all time high order booking of Rs.35,633 Crore. The year end outstanding order book stood at around Rs.55,000 Crore.

In the **Power Sector business** segment, BHEL secured orders worth **Rs.27,722 Crore** during the year, crossing the Rs.20,000 Crore mark for the first time. In terms of power plant equipment, the orders amounted to 9,904 MW (74% increase over the earlier best of 5,668 MW in 2004-05 and 285% more than 3,473 MW of 2005-06). Also, sustained efforts by the newly created 'Spares and Services Business Group' - formed to provide a single-window facility to customers for post-warranty services, resulted in an all-time high order booking of Rs.3,210 Crore.

#### Significant orders received in Power Sector included:

- Single-largest turnkey contract for Mejia TPS Phase II (2x500 MW) of DVC - these are the first two 500 MW sets being set up by DVC. This turnkey contract is also the highest value single order received by the company so far.
- Simhadri (2x500 MW), NCTPP Stage II (2x490 MW) and Farakka Stage II (1x500 MW) of NTPC.
- Suratgarh TPS (1x250 MW) and Kota TPS (1x195 MW) of RRVUNL. With this, BHEL maintained 100% share of supply of thermal power plant equipment in Rajasthan.
- Parbati HEP Stage-III (4x130 MW) of NHPC - order for this Mega Hydro Project was won against stiff International Competitive Bidding.
- First-ever order for FGD plant from Tata Power Company for Trombay TPS (1x250 MW).
- Single largest order for R&M and uprating of 5x200 MW sets of UPRVUNL at Obra.

In its **Industry Sector business** segment, BHEL secured the highest-ever orders worth **Rs. 6,008 Crore** during the year. Notably, order inflow for transmission EHV substations increased by nearly 100% to Rs.1,170 Crore during the year.

#### Significant orders received in Industry Sector included:

- BHEL has become one of the only three companies in the world capable of engineering and supplying 100% pet coke-fired CFBC boilers with a LSTK contract for 99 MW CPP of Bharat Oman Refinery Ltd. - India's first power plant based on 100% pet coke fuel.
- BHEL will supply the largest size (210 TPH) BFBC boiler along with a 50 MW STG against an order from IND Energy, Raigarh. The boiler will operate on washery rejects, a fuel having the least commercial value and will generate power at a very low cost.
- 1x120 MW STG set from Tata Power Company for Tata Steel Ltd., Jamshedpur.
- BHEL will supply 500 MVA converter transformers - the largest such equipment to be manufactured in India and amongst the largest worldwide for PGCIL's ± 500 kV, 2500 MW HVDC terminal stations at Ballia and Bhiwadi.
- Traction electrics for 3-phase 6000 hp electric locos, EMUs/ MEMUs and Diesel Electric locos, besides orders for 17 shunting locos.
- Highest-ever orders for over 1300 motors as also for Well Heads and X-Mas tree valves.

In **International Business**, BHEL secured physical export orders of **Rs. 1,903 Crore** during the year in comparison to an average yearly order book of Rs.1,275 Crore of the last five years. The year witnessed significant steps towards globalization with receipt of orders for power equipment for over 900 MW of power projects and 5,600 MVA of transformer capacity, the highest-ever in the transmission sector overseas, spread across ten countries, besides successful forays in a host of new market segments.



### Significant orders received in International Business included:

- Second export order for 240 MW Gas Turbine based power plant at Siddhirganj, from Electricity Generation Company of Bangladesh on EPC basis. This project is funded by the Asian Development Bank. The earlier order for a 120 MW Gas Turbine Power Plant at Baghabari was successfully executed by BHEL and the plant is giving excellent performance for the last five years.
- Order for 500 MW Gas Turbine based Power Plant on EPC basis from MGI, Jordan - a major breakthrough in the IPP segment.
- First order for Gas Turbines for co-generation application - 2x26 MW from Oman Refinery Company, Oman.
- First-ever order from Tajikistan for R&M & upgrading of 2x3.7 MW Varzob Hydro Project of Barji Tajik, Tajikistan. This is an entry into a new market.
- First-ever order for Compressors from France - Secured from Grande Paroisse, France (a Total Group Company), a European company for a Urea Plant in France and will help BHEL in creating a reference for compressors in Europe.
- Largest and first export order for Transformers from Egypt 23 nos. 220 kV, 125 MVA Transformers secured from EETC, Egypt.

### PROJECT COMMISSIONING



Singrauli STPS equipped with BHEL's first indigenously-built 500 MW thermal power generating set



600 MW Western Mountain Power Project in Libya

#### Major Utility power projects commissioned include:

- 6x170 MW hydro sets for Tala HEP, Bhutan
- 2x156 MW gas based Western Mountain Power Project, Libya
- 1x540 MW thermal set for Tarapur Atomic Power Project
- 2x500 MW thermal sets for Vindhyachal STPS
- 1x500 MW thermal set for Kahalgaon STPS
- 1x250 MW thermal set for Parli TPS
- 1x250 MW thermal set for Mejia TPS
- 1x250 MW thermal set for Korba East TPS
- 1x210 MW thermal set for Parichha TPS
- 1x210 MW thermal set for Rayalaseema TPS
- 1x210 MW thermal set for Unchahar TPS
- 1x125 MW thermal set for Giral TPS
- 110 MW gas turbine for Dholpur CCPP
- 1x200 MW hydro sets for Sardar Sarovar HEP
- 3x42 MW hydro sets for Larji HEP

- BHEL's first indigenously-built 500 MW thermal power generating set completed 20 years of exceptional performance at Singrauli STPS, reaffirming the faith placed in the company's capabilities by the Govt. of India and marking the 20<sup>th</sup> anniversary of the establishment of a new technology. The saga of success has since continued with the number of **BHEL's 500 MW sets in operation rising to 29 and sets under execution to 21.** Having demonstrated its track record in successfully establishing new technologies to serve the nation's power sector, BHEL is ready for the introduction of 800 MW thermal sets with super-critical parameters.

- BHEL commissioned **7,863 MW** of power plant equipment during the year comprising **4,791 MW** Utility and Captive/Industrial sets in the country and **1,332 MW** in overseas markets. BHEL added **1,740 MW** to the national grid by erecting and commissioning non-BHEL sets, including part supplies.
- A major milestone of the year was the recommissioning of 740 MW Gas-based Ratnagiri Block II (Dabhol), which had been inoperative since the last six years.
- With the commissioning of all the six 170 MW units, Tala HEP in Bhutan has become the highest capacity Hydro Power Station engineered, supplied, erected and commissioned by BHEL outside the country.
- The installed capacity of BHEL supplied Utility sets went up to **80,783 MW** and BHEL maintained its share of nearly **65%** in the country's total installed capacity of **1,25,414 MW**.
- In the area of overseas project execution, a significant landmark was achieved with the commissioning of the remaining two Gas Turbine generating units (156 MW ISO each) at the 600 MW Western Mountain Power Project in Libya. With this, the Western Mountain Project has become the highest capacity Gas-based power station, erected and commissioned by BHEL outside India. Significantly, the Turbines exceeded the guaranteed performance in the performance tests.

### EQUIPMENT PERFORMANCE

- During the year, BHEL-built power generating sets generated an all-time high 432.81 Billion Units of electricity - 73% of the total power generation in the country.



290 MW Almatti Dam HEP equipped with BHEL sets, winner of GOI Meritorious Productivity Gold Shield Award (2004-05 & 2005-06)

- BHEL built thermal sets achieved the highest-ever Plant Load Factor (PLF) of 78.3% - higher than the national average by 1.5%; Operating Availability (OA) was also the highest-ever at 84.7%.
- BHEL make 200/210/250/500 MW thermal sets, which form the backbone of the country's thermal generating capacity, operated at a PLF of 83.5% and OA of 88.7%. Notably, 75 sets achieved PLF of over 90%. In addition, 6 BHEL make thermal sets of various ratings operated at **record PLF of 100%**.
- Out of the 34 power stations (thermal, nuclear, gas and hydro) awarded with the Govt. of India's Meritorious Productivity Awards for excellent performance (2004-05 & 2005-06), as many as 29 are equipped with generating equipment manufactured and supplied by BHEL. Significantly, 11 of the 12 power stations awarded with the Gold Shield are equipped with BHEL sets, once again establishing the reliability and quality of BHEL's equipment.

### CONTINUED CUSTOMER SUPPORT

- BHEL reinforced its commitment to providing prompt and efficient customer service aimed at facilitating uninterrupted power supply and keeping power plants in good running condition. During the year, BHEL **overhauled 118 thermal utility and industrial sets and 29 hydro sets.**

### TECHNOLOGY DEVELOPMENT

- BHEL's products and systems are highly technology intensive and R&D and technology development are of strategic importance to the company. During the year, BHEL spent **Rs. 238.5 Crore on R&D efforts - nearly 58% higher than the previous year. In fact, the R&D spend has doubled in two years and the turnover of Rs. 2,510 Crore** achieved through products and systems developed in-house **tripled in two years.** BHEL has also filed 114 patents and copyrights, which are in productive use in the company's business.





### Some of the significant developments during the year include :

- ❖ To help extend the range of exciters for meeting customer requirements, a maintenance-free and more reliable Brushless Exciter has been designed, developed and manufactured for a 16 MW Hydro Generator. BHEL is in a position to offer such exciters for higher capacity Hydro Generators also.
- ❖ BHEL has for the first time, designed and developed an 1100 kW Flameproof Squirrel Cage Induction Motor with Sleeve-Bearing against an export order from PDO, Oman. The motor has successfully passed explosion tests at CMRI, Dhanbad, in the presence of experts from the European statutory testing agency, BASEEFA, U.K.
- ❖ Aimed at increasing passenger hauling capacity by eliminating the need for separate generator coaches, BHEL has designed and developed a new generation 320 kW, Traction Alternator with Hotel Load Companion Alternator to be used on Indian Railways' 3600 HP BG Diesel Electric Locomotives.
- ❖ To reduce system losses, enhance power transfer capability and improve system stability of high-voltage (400 kV) transmission lines, the first-of-its-kind in the world, Controlled Shunt Reactor (CSR) was developed indigenously by BHEL. The first order for CSR was received from MahaTransco.
- ❖ As part of its customer-centric technology upgradation process, BHEL will equip its 250 MW steam turbines with the state-of-the-art Electro Hydraulic Activator (EHA) based high pressure governing system. Two variants of the new design have been developed, one each for conventional and combined cycle power plants.
- ❖ With a view to enhancing value for customers in the steel sector, BHEL has designed for the first time a XRS 943 Bowl Mill for installation in blast furnaces, which results in saving coke and facilitates longer wear life for rollers.
- ❖ For reliable flame monitoring in boilers, an advanced digital flame scanner based on microcontroller technology was developed by BHEL. The prototype system - 'BHELSCAN', extensively site-tested at two power plant sites, has been qualified by Canadian Standards Association International, a world leader in product testing and certification, for award of the 'Certificate of Compliance' to International Standards requirements.
- ❖ As part of BHEL's efforts to provide modern, safe and more efficient transportation solutions, a state-of-the-art, in-house developed IGBT based three-phase drive system for 700 HP Diesel electric locomotives has been tested comprehensively.
- ❖ BHEL has developed technology for manufacture of Composite Insulators with improved properties by adding nano materials, propelling the company as a leader in the manufacture of 400 kV long rod insulators in the country. Silicone-based rubber, a primary raw material for composite insulators has been modified by in-house developed nano materials in order to enhance the erosion tract resistance of the insulators. A developmental order has also been received from Power Grid for supply of 400 kV long rod insulators.
- ❖ In conformity with BHEL's concern for society and environment, a more energy efficient single cylinder non-reheat steam turbine for 100-140 MW application has been developed, suitable for plants where large amounts of waste heat is available and reheat option is not feasible. This is the largest single cylinder steam turbine engineered so far by BHEL. An order has already been received from Tata Steel for a 120 MW turbine.
- ❖ BHEL has designed and developed an upgraded cartridge which improves performance, saves power and enhances the life of old Boiler feed pumps. Orders have been received from GSECL's Ukai and Gandhinagar TPS.



*The first-of-its-kind in the world, Controlled Shunt Reactor (CSR) developed In-house by BHEL*

### REMOTE AREA DEVELOPMENT

- BHEL has been contributing to the national effort for development of far-flung/remote areas on a sustained basis. During the year, a 55 KWp Stand-alone Solar Photovoltaic (SPV) power plant was commissioned at Pathankali for the West Bengal Renewable Energy Development Agency (WBREDA). With this, BHEL has supplied and commissioned six such plants of different ratings for WBREDA in the Sunderbans/Sagar Island to provide power to remote village communities.

### CAPACITY AUGMENTATION and ASSET MODERNISATION

- Aimed at meeting customer commitments and enhanced market demand, an **investment of Rs. 362 Crore** was made under plan capital programmes, during the year. This was done through completion of ongoing modernization schemes and replacement of ageing facilities. Out of this, an investment of **Rs. 325 Crore** was made for introduction of state-of-the-art facilities for improving product quality, reducing cost and cycle time and enhancing productivity. **Rs. 37 Crore** was spent on modernizing and upgrading equipment at various power plant sites for meeting enhanced erection load and shorter commissioning schedules. In addition, an amount of about **Rs. 42 Crore** was incurred on rebuilding of existing assets to enhance their life, accuracy and productivity.
- For the XI Plan, BHEL has embarked upon a very ambitious plan of enhancing its manufacturing capacity to **15,000 MW** per annum with a total investment of around **Rs. 3,200 Crore**.
- As part of the ongoing capability upgradation and capacity expansion programme, a state-of-the-art Instrument Calibration Centre has been established to help enhance the precision and accuracy of Performance Guarantee Test of thermal sets of various ratings, thereby supporting BHEL's efforts to meet the challenging XI Plan capacity addition target.

### HUMAN RESOURCE - A SPECIAL FOCUS

- The 'IMPRESS' scheme was given special thrust to harness untapped potential in the organization for achieving higher efficiency in conversion of basic inputs like material and capital into saleable products and services. During the year, about 9,500 improvement projects have been registered taking the total number to 23,700 since introduction of the scheme. Out of these, about 63% of the projects have been completed and implemented realising a savings of Rs. 177 Crore during 2006-07 taking the total savings to Rs. 398 Crore since inception.
- In line with changing market requirements, the knowledge and skills of BHEL employees are continuously upgraded. Accordingly, over 30,000 employees were exposed to nearly 4.6 lakh man days of different training programmes during the year. In addition, over 1,463 customer personnel were trained at various units. Also, as part of social commitment, 4,138 Act Apprentices were trained in the company and more than 2,200 Technical/Management students underwent vocational training.

### SOCIAL RESPONSIBILITIES

- As part of its Corporate Social Responsibility, BHEL undertook socio-economic and community development programmes in various villages located in the vicinity of its manufacturing plants and projects sites spread across the country, in the areas of education, health, drinking water facilities, etc. In addition, BHEL provided financial assistance to various NGOs/Trusts/Social Welfare Societies that are engaged in social activities throughout the country.
- As part of UN's Global Compact programme, BHEL continued to play a lead role in the activities of the Global Compact Society in India, which acts as an Apex level nodal agency representing Indian Corporate Bodies, Institutions/Organisations who are committed to UN's Global Compact Programmes.

### QUALITY/ENVIRONMENT

- BHEL has become the first Public Sector Company in the country to win the 'Prize', under the CII Exim Award Scheme for business excellence as per the globally recognized model of European Foundation for Quality Management. The prestigious recognition has been bestowed on BHEL's Heavy Electrical Equipment Plant at Haridwar. The other major units of BHEL at Trichy, Hyderabad and Bhopal have also received

commendation certificates for 'Significant Achievements in TQM' while its Electronics Division at Bangalore has received the commendation for 'Strong Commitment to TQM'. With this, all the five major units of BHEL have been awarded, making BHEL the only corporation both in the public and private sectors, whose all major Divisions have been recognized for business excellence.

- As a responsible corporate citizen and to meet exacting international standards in occupational health, safety and environment, BHEL completed re-certification of all its units/ divisions due for OHSAS-18001 Occupational Health and Safety Management System as well as ISO-14001 Environmental Management System.

### AWARDS

- Continuing its tradition of bagging prestigious national/ international awards, the organisation and its employees won several awards during the year. Notable among these included; MoU Award for Excellence in Performance 2004-05, MoU Excellence Certificate for 2005-06, Vishwakarma Rashtriya Awards, National Safety Awards, EEPC's Top Export Award for Project Exports for the sixteenth year in succession, British Safety Council's 'International Safety Award' for the fourth consecutive year and ICWAI National Award for Excellence in Cost Management 2006.



MoU Award for Excellence in Performance 2004-05

- Business Standard newspaper recognized BHEL as the Star Public Sector Company of the year 2006. According to the publication, 'it has been a year of record performance for the power and industrial machinery major, BHEL...'
- For his contribution to social causes, Mr. Khalid Zaheer, an employee of BHEL, Haridwar, has been conferred one of the country's highest civilian honours - 'Padma Shri' for the year 2006, by the President of India.
- The Hon'ble Prime Minister will present eight Shram Awards to 14 BHEL employees including the only Shram Bhushan for the year 2004 later this month - the highest-ever in a single year.
- Central Foundry Forge Plant at Haridwar won the Best Energy Conservation Implementation Gold Award 2005-06, under Indira Gandhi Memorial National Award for Excellence, while the Seamless Steel Tube Plant at Trichy bagged the National Award for Energy Management in the national competition for excellence, conducted during CII's 'Energy Summit 2006'.

### BLUEPRINT FOR THE FUTURE

- The Indian economy has been exhibiting good growth trends. The X Plan period is expected to end with an average GDP growth of 7.6% p.a. The XI Plan considers an average GDP growth of 9% p.a. with the last year touching the 10% level. There is commensurate industrial growth with a revival of manufacturing sector. Installed Power capacity base in the country is expected to witness an addition of around 1,50,000 MW during the XI plan (68,869 MW) and XII plan (86,500 MW).
- BHEL has crafted a 'Strategic Plan 2012' that will enable its turnover to grow from US \$ 4 billion to 10 billion by 2011-12. The plan focuses on ensuring a sustainable profitable growth for the company over the next five years. The growth planks for the company in the next five years are expected to be driven by capacity and capability enhancement that will leverage the company's efforts in its core area of power, supported by industry, transportation, transmission, exports and spares and services businesses.
- In the pursuit to enhance globalization efforts, the physical exports is expected to grow by six times the current size. Mergers and Acquisitions (M&A) route would be pursued to avail inorganic growth opportunities in order to enlarge the company's operations both in domestic as well as export markets.



- Spares and services business is expected to be the next growth opportunity for the company where revenues are expected to increase four-fold from present levels. The marketing activities of spares and services have already been consolidated and systems capability is being strengthened to address various market segments.
- With the establishment of 10,000 MW p.a. manufacturing capacity by the end of 2007, BHEL has factored into its plan an enhancement to 15,000 MW p.a. before the end of XI Plan period. Having already tied up technology to produce higher rating super-critical thermal sets, this will further strengthen the position of the company in the domestic market.
- The engineering and technology character of the organization shall be enhanced with focus on innovation and R&D, where R&D spend will be increased by at least six times.
- In order to retain competitiveness, various capability-building initiatives like Design-to-cost, Purchase and Supply Management, Lean Manufacturing taken up at Bhopal and Hyderabad plants will be put in place across the company.

***BHEL's commendable performance in 2006-07 could not have been possible without the commitment and trust reposed in BHEL by its stakeholders including the Government of India. I thank BHEL's stakeholders, our friends from the media and my colleagues for enabling BHEL to set new benchmarks in performance.***

**Note: Company results for 2006-07 are provisional, subject to audit**

Issued by

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# The Fab 50

ESPRIT HOLDINGS	Heinz Krogner, Michael Ying
LI & FUNG	William & Victor Fung
NOBLE GROUP	Richard Samuel Ebraim
TPV TECHNOLOGY	Jason Hsuan
<b>INDIA</b>	
<b>INDIAN HEAVY ELECTRICALS</b>	<b>Atul Kumar Puri</b>
ADFC BANK	Atul Puri
ICICI BANK	Kandappa V. Ramiah
INFOSYS TECHNOLOGIES	Nandini M. Nilekam
ITC	Y.C. Deveshwar
LARSEN & TOUBRO	A.M. Naik
RELIANCE INDUSTRIES	Mulesh D. Ambani
SATYAM COMPUTER SERVICES	B. Rama Raju
STERILITE INDS	Atul Kumar Agrawal
TATA MOTORS	Ravi Kant
WIPRO	Azim H. Premji
<b>INDONESIA</b>	
BANK CENTRAL ASIA	Djohan Emir Setiawan

50 THE BEST OF THE REGION'S BIGGER LISTED COMPANIES

# Forbes Asia

# Power FULL

Business Standard's Star Company, PUBLIC SECTOR, award goes to BHEL

**I**t has been a period of record performance for the power and industrial machinery major, Bharat Heavy Electricals (BHEL).

The core business of the state-owned major is power infrastructure, and the rapid growth in demand for power over the past few years has ensured a sellers market for the 40-year-old company.

There is more than enough demand to soak up its existing capacities, and that is reflected in its order book, which was at an all-time high of Rs 45,700

**Business Standard**

**A year of domestic and international accolades**

## Top 10 Companies By Rank

Current	Previous	Company
1	1	TCS
2	2	Infosys Tech
3	4	Wipro
4	5	Bharti Airtel
5	-	Suzlon Energy
6	3	HLL
<b>7</b>	<b>17</b>	<b>BHEL</b>
8	6	Siemens
9	7	Tata Motors
10	25	L&T

THE CHANGING FACE OF INDIAN INC

# ET 500

## The Wealth Creators

Top 25 companies that have created wealth for investors in the last 10 years.

Company	Share Price (Rs)	Market Cap (Rs Cr)	Return (%)	Market Value (Rs Cr)
Infosys Technologies	2,362.65	2,31,744.26	67.5	1,12,497.82
Wipro	642.20	92,527.55	66.4	16,29,949
Hero Honda Motor	796.15	28,037.2	49.2	5,46,386
HDFC Bank	1,508.85	14,308.31	39.2	2,34,789
Siemens	1,768.80	35,512.00	37.5	2,42,390
Coal	291.81	20,340.8	34	1,87,094
HDFC	1,474.30	18,844.99	33.1	1,79,330
Indian Capital	208.50	45,491.8	28	1,39,681
<b>United Energy Services</b>	<b>2,044.40</b>	<b>25,876.22</b>	<b>27.4</b>	<b>1,18,305</b>
State Bank of India	1,011.20	8,891.24	27.1	1,12,472
Shree Industries	1,398.20	1,91,492.75	26.1	1,01,517
Shree Industries (India)	459.20	25,690.74	25.9	1,00,132
ACC	2,039.00	19,382.18	25.8	89,543
Shree Earth Movers	1,178.60	9,320.71	24	86,597

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