

BHARAT HEAVY ELECTRICALS LIMITED
UNAUDITED FINANCIAL RESULTS (After Limited review)
FOR THE THREE MONTHS ENDED 30TH JUNE 2004

RS./Millions

SL. NO.	PARTICULARS	3 Months Ended 30.06.2004	Corresponding 3 Months in the previous year ended 30.06.2003	Year to date figures for current period ended 30.06.2004	Year to date figures for the previous Year to date 30.06.2003	Previous Accounting year ending 31.3.2004 #
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Net Sales / Income from Operations	12755	11270	12755	11270	87715
2	Value of production (Net of Excise duty)	12230	10602	12230	10602	78844
3	Other Income	786	595	786	595	4246
4	Total Expenditure	12358	11234	12358	11234	76961
a)	(Increase)/decrease in stock-in-trade	-524	-217	-524	-217	306
b)	Consumption of raw materials	6045	4967	6045	4967	40076
c)	Staff Cost	3758	3656	3758	3656	16395
d)	Excise Duty	1050	885	1050	885	8564
e)	Other expenditure	2029	1943	2029	1943	11620
5	Interest	125	112	125	112	574
6	Gross Profit (+) / Loss(-) after interest but before depreciation, DRE & taxation(1+3-4-5)	1058	519	1058	519	14426
7	Depreciation	509	492	509	492	1980
8	Profit (+) / Loss (-) Before DRE and Tax (6-7)	549	27	549	27	12446
9	Deferred Revenue Expenditure written off	179	198	179	198	2298
10	Profit (+) / Loss (-) Before Tax (8-9)	370	-171	370	-171	10148
11	Provision for Taxation (including deferred tax & prior period)	135	-60	135	-60	3566
12	Net Profit (+) /Loss (-) (10-11)	235	-111	235	-111	6582
13	Paid-up Equity Share Capital (Face Value per Share (Rs.))	2448 (10)	2448 (10)	2448 (10)	2448 (10)	2448 (10)
14	Reserves excluding revaluation reserves					51342
15	Earnings per Share (not annualised) (Rs.)	0.96	-0.45	0.96	-0.45	26.89
16	Aggregate of non-promoter shareholding					
	No. of Shares	79003250	79004150	79003250	79004150	79004450
	Percentage of shareholding	32.28%	32.28%	32.28%	32.28%	32.28%

The figures have been regrouped, wherever necessary.

Figures are subject to Govt. Audit

Notes:-

1 Segment information is given in the annexure hereto.

2 Details of Investor Complaints:

	Pending as on 01.04.2004	Received during the quarter	Resolved during the quarter	Pending as on 30.06.2004
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Nil	79	79	Nil
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3 The company has an outstanding order book position of about Rs. 280000 millions at the end of Quarter I as against Rs. 164000 millions as on 30.06.2003.

4 The above results were reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 29th July, 2004.

5 The above results have been reviewed by the Auditors as per clause 41 of the listing agreement.

For Bharat Heavy Electricals Limited

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(C.Srinivasan)
Director (Finance)

Place : New Delhi
Dated : 29.07.2004

Annexure

Segmentwise Revenue, Results and Capital Employed :

		Corresponding		Year to date		Rs./Millions
		3 Months	3 Months	Year to date	Year to date	Previous
		Ended	in the	figures for	figures for	Accounting
		30.06.2004	Previous year	Current Period	the previous	year ended
			30.06.2003	30.06.2004	Year to date	31.03.2004 #
					30.06.2003	
1	<u>Segment Revenue</u>					
	A. Power	9114	8280	9114	8280	60094
	B. Industry	4268	3480	4268	3480	29806
	Total	13382	11760	13382	11760	89900
	Inter segmental revenue	627	490	627	490	2185
	Net Sales / Income from operations	12755	11270	12755	11270	87715
2	<u>Segment Results (Profit(+)/ Loss (-) before tax and interest.</u>					
	A. Power	1167	1268	1167	1268	13794
	B. Industry	35	-237	35	-237	2861
	Total	1202	1031	1202	1031	16655
	Less Interest	125	112	125	112	574
	Other un-allocable expenditure net of income	528	892	528	892	3635
	Deferred Revenue Expenditure	179	198	179	198	2298
	Total Profit before Tax	370	-171	370	-171	10148
3	<u>Capital Employed</u>					
	(Segment Assets - Segment Liabilities)					
	A. Power			8937	18295	8213
	B. Industry			12847	12569	14028
	Capital Employed (including unallocable common)			53621	44979	37878

The figures have been regrouped ,wherever necessary.

Figures are subject to Govt. Audit.

Highlights:

Financial Performance

During the first quarter of 2004-05 the company has registered all around improvement in various areas of operations as compared to the first quarter of 2003-04.

As compared to the 1st quarter of 2003-04 the net sales / income from operations has registered a growth of 13.18%. The value of production (net of excise duty) has also improved by 15.35%. The profit before tax and after tax are placed at Rs. 370 Millions and Rs. 235 Millions as against Rs. (-) 171 Millions and Rs. (-) 111 Millions respectively during the corresponding period of the previous year. Main factors contributing to profit in the 1st quarter were (a) increased volume and (b) higher interest income .

Order Book Highlights

Orders worth Rs. 57340 Millions have been received during the first three months of the current year as against Rs. 16870 millions of orders received during the 1st quarter of 03-04 (a growth of 239.89%). The orders outstanding at the end of Quarter 1 is about 280,000 millions , an increase of 70% as compared to the orders outstanding as on 30.06.2003 (Rs. 164,000 millions).

Following are the major orders booked during the quarter :

BHEL has won order valued at Rs. 17010 Millions from DVC for 2*250 MW Chandrapura Extension. BHEL has also won a contract valued at Rs. 17010 Millions for setting up two units of 250 MW each at Mejia Thermal Power Station (TPS) in West Bengal, on turnkey basis. Both these project are targeted for completion in the 10th plan period.

BHEL has secured an order worth Rs.2180 Millions for setting up a 40 MW Co-generation Captive Power Plant on turnkey basis from Hindustan Petroleum Corporation Ltd (HPCL), as part of its Clean Fuels project at Vishakhapatnam in Andhra Pradesh.

BHEL has bagged a prestigious order valued at Rs.700 Millions for setting up a Hydro Electric Project Mukerian HEP Stage-II (2x9 MW) in Punjab outbidding leading multinational companies from Austria and UK in International Competitive Bidding. The project is slated for commissioning in a very tight schedule of just 24 months.

BHEL has achieved a breakthrough in the international market by bagging a prestigious order for export of Compressor Packages valued at Rs.800 millions for a Gas Compressor Package from Petroleum Development Oman (PDO), a joint venture company of the Govt. of Oman, Royal Dutch Shell Group of Companies, Total and Partex. With this order, BHEL has achieved a major milestone of securing an order for its 300th Compressor casing.

BHEL has achieved a major milestone in the export of Solar Photovoltaic (SPV) Cells by bagging a large contract valued at nearly Rs.60 Millions from S.E. Projects, Italy for the supply of monocrystalline solar cells to be used by the customer to manufacture PV modules for installation in Italy and Germany.

BHEL has bagged an order valued at Rs. 148 Millions for two Steam Turbine Generator (STG) sets of 30 MW capacity each to be installed in a captive power plant of a cement factory at Kodinar in Gujarat against stiff competition from Japanese and German multinational suppliers.

BHEL has secured a contract valued at Rs.6471 Millions from Maharashtra State Electricity Board for setting up one unit of 250 MW at Paras Thermal Power Project in Maharashtra, under International Competitive Bidding (ICB). The project is targeted for completion in the X Plan period, with the commissioning of the unit in a tight schedule of 31 months.

BHEL has bagged a prestigious contract valued at around Rs.190 Millions against stiff competition for the supply, installation, commissioning and after sales service of 700 sets of SPV Water Pumping Systems for the Punjab Energy Development Agency (PEDA). This is the single largest order for Solar Photovoltaic won by BHEL against stiff competition from leading players in the field. BHEL will supply and install the systems, totalling to 1.26 MW of Solar Power, during the next few months.

Delivery Performance

India's Largest Stand-Alone 105 KWp Solar Power Plant designed, manufactured and commissioned by BHEL in association with West Bengal Renewable Energy Development Agency (WBREDA), at Mousuni Island in West Bengal. This has enabled the islanders to reap the benefits of photo voltaic technology and brought about a transformation and illuminated the lives of islanders, who were hitherto living in total darkness. BHEL will also operate and maintain the power plant for five years.

The company achieved a major milestone recently when the 120 MW (unit 7) of Kothagudem TPS in Andhra Pradesh was uprated from 110 MW to 120 MW and recommissioned on 13th May 2004. It achieved a record generation of 15.98 millions units, the highest electricity generation in a single day so far.

Performance of BHEL Sets

BHEL supplied thermal sets have achieved a PLF of 75.9 % in the first quarter of 2004-05 as against 73 % achieved in the corresponding period of 2003-04. The operating availability of BHEL sets has improved to 86 % during this period as against 83.6% in the first quarter of 2003-04.