भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited

AA/SCY/SIGC/2010
December 3, 2010

Dear Investor,

Your company has been on a constant journey towards giving maximum satisfaction to all its stakeholders. While reviewing shareholding pattern it has been observed that a few investors are holding the company's share(s) in "physical" mode instead of holding the same in "Demat" mode, which is generally the norm today. We would like to apprise you of the various benefits that may be derived by holding the shares in demat mode as under:

- Reduces risks involved in holding physical certificate, e.g., loss, theft, mutilation, forgery, etc.
- Ensures speedy transfer settlements and reduces delay in registration of shares
- Avoids bad delivery problem due to signature differences, etc.
- Faster payment on sale of shares
- No stamp duty is paid on transfer of shares
- More acceptability and liquidity of securities
- Change of name, address, dividend mandate, registration of power of attorney, transmission etc. can be effected across companies held in demat form by a single instruction to the Depository Participant.
- Receipt of non-cash benefits such as bonus shares in electronic form

It is therefore, we request you to convert your shareholding from "physical" mode into Demat mode. For any further query or assistance required in this regard, you are welcome to contact us in any of the following ways:

BHEL Company Secretariat Shri Rakesh Jerath Sr. Accounts Officer Bharat Heavy Electricals Limited, BHEL House, Siri Fort, New Delhi-110049 Tel: 011-66337474 Fax: 011-66337533 e-mail : csyrj@bhel.in	Our Registrar & Transfer Agent(RTA) Shri M S Madhusudhan General Manager M/s Karvy ComputerShare Pvt. Ltd. 17-24, Vittal Rao Nagar, Madhapur Hyderabad-500081 Tel: 040-44655155 Fax: 040-44655024 laxmi.rajyam@karvy.com einward.ris@karvy.com

Best Regards.

Yours faithfully,

(I P Singh)
Company Secretary