

BHEL regains growth & profitability

Surpasses 12th Plan Capacity Addition Target

Wins largest-ever export order

Forays into Power Generation

Focus on Diversification to Drive Next Wave of Growth

New Delhi, May 29: Bharat Heavy Electricals Limited (BHEL) has achieved double digit growth in its topline and bounced back into profit in fiscal 2016-17, ending the year with significant traction in growth drivers.

During the year, BHEL recorded a turnover of Rs.28,840 Crore, up 11% over the previous year - after reversing the trend of negative topline growth prevailing for the last three years. The company also returned to profitability with a Profit Before Tax (PBT) of Rs.628 Crore, compared to a loss of Rs.1164 Crore (IND-AS restated) in the last fiscal. Net Profit (PAT) stood at Rs.496 Crore, against a net loss of Rs.710 Crore (IND-AS restated) in the previous year.

An interim equity dividend of 40% has been paid for 2016-17, maintaining the track record of paying dividends uninterruptedly since 1976-77. In addition, the company has recommended a final dividend of 39%, subject to the approval of shareholders. With this, the total dividend for the year 2016-17 would stand at 79%.

Notably, enhanced focus on project execution has resulted in BHEL achieving a capacity addition of 45,274 MW during the 12th Five Year Plan period (2012-17), surpassing the target of 41,661 MW set by the government for BHEL, by 9%. With this, BHEL continues to remain the single largest contributor to the country's power generation capacity addition.

During the year, BHEL commissioned/synchronized 8,539 MW of power generating equipment. With this, the company's installed power generating capacity has gone up to 178 GW, across the world.

BHEL has also forayed as a co-developer into power generation with the commencement of commercial operation of the first 800 MW unit at its Yeramarus TPS (2x800 MW) - a joint venture with equity contribution from KPCL, BHEL and IFCI.

BHEL secured orders worth Rs.23,489 Crore during 2016-17 in its power, industry and export segments. This was achieved despite subdued business environment and global economic uncertainties. The company ended the year with a total order book of over Rs.1,05,200 Crore.

A major highlight of the year was the largest ever export order, valued at US\$1.5 billion (Rs.10,000 Crore), for setting up 1,320 MW (2x660 MW) Maitree Super Thermal Power Project in Bangladesh. Significantly, won against stiff international competitive bidding, this is BHEL's largest power project order in the international market.

Significant orders in the Power segment include 1x250 MW Rourkela II expansion (EPC) from NTPC-SAIL Power Company Pvt. Ltd. and 18x145 MW ICAD Palamuru Rangareddy Lift Irrigation Scheme from the Government of Telangana. Notable orders in the Industry segment include \pm 800 KV, 6,000 MW HVDC terminals associated with the HVDC Bipole link between Western Grid and Southern Grid from PGCIL; 765 kV AIS substation at Ariyalur from TANTRANSCO; highest value orders for traction equipment from CLW and DLW; order from Indian Railways for indigenously developed product 'Hotel Load Converter' after successful field trials on Shatabdi Express; highest ever single order for Super Rapid Gun Mount for Delhi Class Ship from Indian Navy and; order in Aerospace sector for fabrication, assembly, testing & supply of space quality Lithium Ion batteries from ISRO Satellite Centre, among a host of others.

During 2016-17, BHEL also secured maiden export orders from Benin, Togo, Chile and Estonia, expanding its global footprint to 82 countries across all the six continents.

With its innovation-led growth strategy, the company continues to rank among the highest R&D spenders in the country in the engineering and manufacturing segment with an R&D expenditure at 2.7% of its turnover. The R&D efforts of the company are aimed at improving the existing products as well as developing the new ones, relevant to the needs of the country both in terms of technology & features vis-à-vis global benchmarks. Among others, the company is also developing Advanced Ultra Super Critical (AUSC) technology for thermal power plant in consortium with NTPC & IGCAR. During the year, BHEL filed the highest-ever 508 patents and copyrights in a year, enhancing the company's intellectual capital to 3,915, which are in productive use in the company's business.

Leveraging its experience of over three decades in Solar PV (SPV), the company is capitalising on emerging opportunities in the segment. During the year, BHEL set a new record in its Solar PV business, by supplying 176 MW of SPV modules in a single year, marking a significant contribution to the nation's green initiatives. BHEL has also enhanced its annual manufacturing capacity of solar cells to 105 MW and solar modules to 226 MW during the year. In addition, the company also made a breakthrough by winning the highest SPV power plant orders for 131 MW including single largest order of 65 MW from NLC India Ltd.

During the year, BHEL-built thermal power generating sets generated an all-time high 549 Billion Units of electricity which was 58.2% of the total thermal power generated in the country. BHEL-built thermal sets continued to demonstrate world-class performance. 20 sets registered Plant Load Factor (PLF) of over 90% and 56 sets between 80%-90%. Significantly, 219 BHEL-make coal-based sets achieved an Operating Availability (OA) of more than 90%. 161 BHEL make coal-based sets clocked uninterrupted operation of more than 90 days. BHEL-built nuclear sets achieved a PLF of 77.5% and an OA of 78.9%.

Excellence of the company and its people was recognised at various national and international platforms. 'Top 25 Best Companies to Work for in India', PM's Shram Awards, Vishwakarma Rashtriya Puraskars, 'National Safety Award' and, recognition by Hon'ble Prime Minister for contribution in skill development are notable ones.

Having achieved the immediate target of regaining growth, the company is now enhancing its focus on maintaining its leadership status in the power sector while diversifying in the non-thermal power segment and other new areas. As part of this, focus is on creating new verticals within the company to capitalize on the massive infrastructure spending by the Govt. of India, with a special focus on sustainable energy development by offering EPC solutions in solar and environment-friendly supercritical technology in the thermal sector, besides transportation, defence and other industrial products to drive the next wave of growth.