



Q4&FY22 Results

Supplementary Information
Chief Investors Relation Officer
Bharat Heavy Electricals Ltd.
May, 2022

Introduction

- **Context**

- Subsequent to the declaration of the results of Q4&FY22 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.

Financial performance

Rs Crore	Q4FY22	Q4FY21	FY22	FY21	Change CY Vs LY
Turnover	7600	6752	20153	16296	24%
Revenue From Operations	8062	7171	21211	17308	23%
Direct Material %	76.8%	73.2%	72.1%	71.1%	1%
Other Expenses (Details appended at slide 11)	-385	2163	162	3201	-95%
EBITDA	1280	(1180)	1106	(2765)	140%
EBITDA % to Revenue	17%	(-) 17%	5%	(-) 17%	22%
Profit before Tax	1098	(1385)	437	(3612)	112%
Profit after Tax	909	(1033)	410	(2717)	115%

Final dividend @ 20% on paid-up share capital declared by BHEL Board

Financial performance- Balance sheet

Rs./ Cr.

	FY		
	2021-22	2020-21	Change CY Vs LY
Cash & Bank Balance <i>(Net of Borrowings)</i>	2409	1868	▲ 29%
Trade Receivables <i>(No. of days of Revenue from Operations-Gross)</i>	6229 94	7213 134	▼ -14%
Inventory	6560	7191	▼ -9%
% Liquidation out of Total Potential <i>(Op. Net TR + CY Net billing)</i>	75%	74%	▲ 1%
Current Ratio	1.30	1.39	▼ -6%

Business Environment

- World economy facing challenges due to supply chain disruptions caused by Russia-Ukraine crisis
- Sharp hike in steel, copper, cement, oil & gas prices expected to sustain
- Shortages/non-availability of CRGO/CRNGO for transformers & motors as well as IC chips for propulsion systems and C&I systems
- Commitment made at COP26 needs to be honored in letter & spirit to maintain 1.5deg pathway
- **Indian Economy** projected to remain the **world's fastest-growing** major economy, as projected by IMF (April, 2022)
- Energy supply availability is to be ensured for maintaining economic growth rate
- Coal likely to stay as imperative for country's growth- **shift to clean coal** is must
- Power sector growth in India to be driven by a fuel mix of **clean coal**, hydro, Nuclear & solar power
- AatmaNirbhar Bharat backed by Gati-Shakti, PLI schemes expected to provide impetus to growth

Operations

- Company's resolute efforts focused on **improving Project execution during FY22** resulted in
 - Commissioning/synchronization of **4,119 MW** of power plants in utility, solar & captive segments, and additional 1,460 MW of Steam Generators
 - Increase in execution tonnage to over **4.5 lakh tonnes- highest in last 5 years**
 - Highest ever project closures
- Major achievements during FY22:
 - **42nd Nuclear Steam Generator** supplied to NPCIL
 - Successful commissioning of 800 kV, 6,000 MW **UHVDC link** between Western & Southern grid
 - **1st FGD** plant commissioned at NTPC Dadri
 - Country's **largest Air Cooled Condenser** commissioned at North Karanpura
 - BHEL set to **command two-third** of country's total **floating solar capacity**, with execution of final stages of 100 MW floating solar power plant at NTPC Ramagundam
 - **45th SRGM** (main gun of Naval ships) supplied to Indian Navy

Order Book

Order Book (Rs Cr)	Power	Industry	Exports	Total
Received, Up to Q4FY22	17931	5660	102	23693
Total, as on 31.03.22	85664	11836	5042	102542

Major orders received in **Power sector** during **FY22**:

- **Largest ever** order for EPC of TG Island pkg for **6x700 MWe PHWR**, NPCIL
- **First order** from NPCIL for supply of **Reactor Header** assemblies for 700 MWe PHWR Reactor

Major orders received in **Power sector** during **Q4FY22**:

- Combustion modification package for **NOx Reduction** from various utilities
- **Dominance in Hydro** sector: Renovation, Modernization & Upgrading of 46 MW Unit#1, Panchet Hydel Station Unit, DVC; EM Works for R&M of 3x35MW Loktak Power Station, NHPC
- Maiden order for **Flexible operation study** & its implementation for 600MW Raigarh TPP, REGL
- Root cause analysis for Power cycle piping /hangers vibration in turbine area, NTPC Sipat

Order Book

Prominent **Industry sector** orders in **Q4FY22**:

- 16 sets (4 rakes) of 3-phase IGBT based propulsion system for Vande Bharat Express Trains, ICF Chennai- marking **BHEL's entry** into domestic **Semi High-Speed mobility** segment
- **Highest ever** order booking in **Defense and Aerospace** business:
 - Supply of upgraded SRGM, main gun on Indian warships- BHEL being **sole supplier** in country
 - Heat exchangers for Light Combat Aircraft, HAL
 - Pressure Vessel Parts for Spacecraft Propellant Tanks, ISRO
 - Strategic equipment for Ministry of Defence
- Supply & Supervision of E&C for **2x90 MW STG** from customers in metals sector
- Supply of **Recycle Gas Compressor & electric motor** for Baiji Refinery, **Iraq**

Accounts receivables

- Company's continued focus and thrust on optimizing receivables resulted in steep **reduction in Trade Receivables** to Rs 6229 Cr (lowest in last 10 years).
- Achieved **86% liquidation** of CY billing against 82% in PY
- **Trade Receivables are 94 days** of Revenue from Operations as against 134 days in PY
- Higher proportion of dues payable on completion of intermediate and final milestones due to skewed payment terms in contracts currently under execution has resulted in increased Contract Assets.

Rs Crore	FY22	FY21
Trade Receivables	6229	7213
Contract Assets	26940	24079
Total	33169	31292

Category	Central Utilities	State Utilities	Private Sector	Exports
Share, % (FY22)	37%	42%	14%	7%

AatmaNirbhar Bharat

- BHEL's **indigenously designed and developed** 0.25 TPD **Coal to Methanol** pilot plant, dedicated to Nation in Jan'22 by Hon'ble Union Minister for Heavy Industries, Dr. Mahendra Nath Pandey
 - This is the **first of its kind CTM** plant using high ash Indian coal. BHEL is now working on commercializing this technology to contribute to the National Coal Gasification Mission
- MOU with GE Power Conversion, boosting indigenous capability for **Integrated Full Electric** Propulsion Systems for Indian Navy
- **T91** grade seamless steel tubes, hitherto being imported, successfully **manufactured in-house**, by BHEL's Tiruchirappalli unit- a major step towards indigenization and import substitution
- Development, testing and supply of Air to Air Heat Exchanger for Su-30MKI aircraft completed- an **import substitution** initiative
- Indigenous design and development of Steam Turbine and Valve modules for 210 MW LMZ, old Russian design turbine sets - important steps towards **Indigenous upgradation of old TPP's**

Financial Performance- Expenses

Rs./ Cr.

	For Q4 2021-22	For Q4 2020-21	FY 2021-22	FY 2020-21
Other Expenses (As per SEBI format)	-385	2163	162	3201

Details	For Q4 2021-22	For Q4 2020-21	FY 2021-22	FY 2020-21
Other expenses of Mfg., Admn., Selling & Distribution	423	483	1355	1480
Provisions	-842	1455	-1526	1467
Power & Fuel	125	99	415	319
ERV (Gain)/Loss	-91	127	-82	-66



Thanks!

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