

3rd April, 2006

Press Conference Address by

Shri Ashok K. Puri

Chairman & Managing Director, BHEL
on the Company's performance
during 2005-06



Bharat Heavy Electricals Limited

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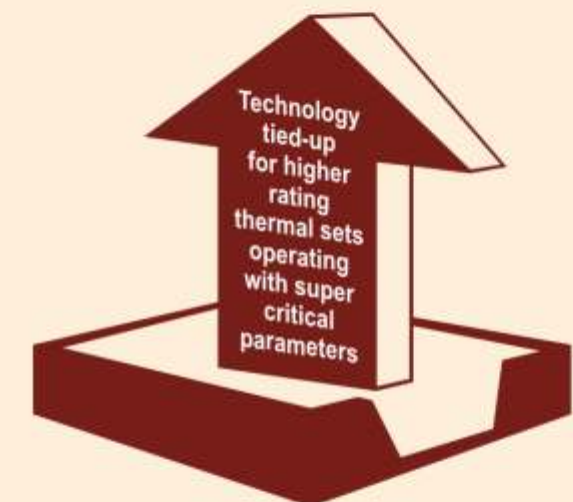
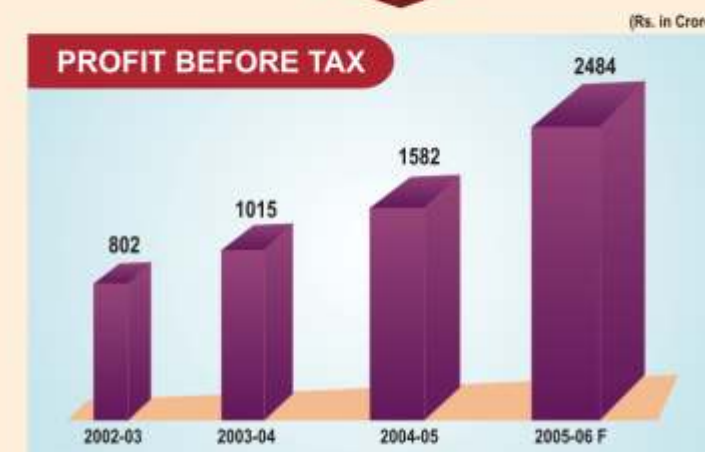
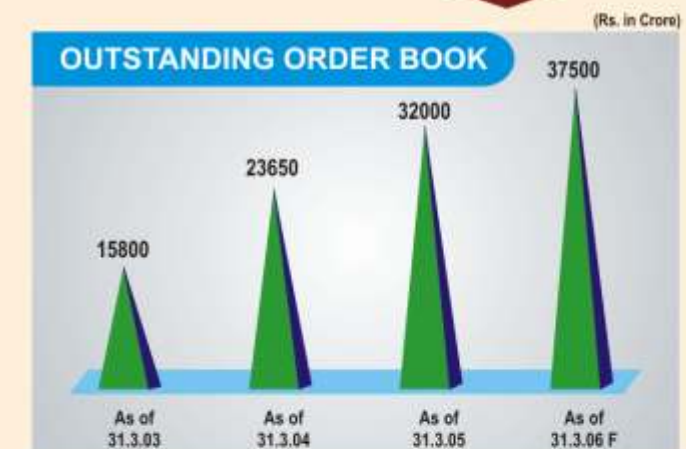


Committed to Enhancing Stakeholder Value

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BHEL
powers ahead with
39% growth
on top of
19% & 16% of
the preceding years
— Highest growth
in the last three decades



	2004-05	2005-06 (Prov.)	% change
Turnover	Rs. 10,336 Crore	Rs. 14,410 Crore	↑ 39%
Profit Before Tax (PBT)	Rs. 1,582 Crore	Rs. 2,484 Crore	↑ 57%
Net Profit (PAT)	Rs. 953 Crore	Rs. 1,621 Crore	↑ 70%
Economic Value Added (EVA)	Rs. 504 Crore	Rs. 986 Crore	↑ 96%
Value Added per employee	Rs. 9.82 Lakh	Rs. 12.84 Lakh	↑ 31%
Earnings per share (EPS)	Rs. 38.95	Rs. 66.2	↑ 70%

- **BHEL enlarges its footprint in the global arena** — by recording highest-ever export orders of **Rs. 3,348 Crore** which included largest single export order for 4x125 MW Kosti Power Plant in Sudan. Overseas business now established in all six continents.
- **Turnover at Rs. 14,410 Crore** — an impressive growth of **39%** on top of 19% achieved in 2004-05 and 16% achieved in 2003-04. Highest Y-O-Y growth in last three decades.
- **Net profit at Rs. 1,621 Crore** witnessed an increase of **70%** over that of 2004-05.
- **EVA at Rs. 986 Crore** — up by **96%** over that of Rs.504 crore achieved in 2004-05.
- **Overall order inflow of Rs. 18,937 Crore** — while operating in intensely competitive national & international markets ensures an outstanding order book of **Rs.37,500 Crore** for execution in 2006-07 & beyond.
- **Customers in domestic as well as export market segments** both in the government & private sector demonstrated their confidence on BHEL by placing repeat orders.
- **BHEL has maintained its share of 65% in the country's total installed power generating capacity** and this has significantly contributed to 73% of the power generated in the country during the year.
- **BHEL is equipping itself to cater to country's ambitious future power capacity addition programme including ultra-mega projects** — tied-up technology for 800 MW thermal sets operating with super critical parameters as well as enhancing its annual manufacturing capacity from the present 6,000 MW to 10,000 MW.
- **84 Patents were filed during the year** taking the total number of patents filed till date to 339. Out of this, BHEL has been granted 26 patents and the rest are in various stages of processing. Further, 13 copy right applications were also filed during the year.
- **BHEL restored and re-commissioned the flood-ravaged 6x250 MW Nathpa Jhakri HEP of Satluj Jal Vidyut Nigam Ltd. in a record time.** All the six units were made available in just 72 days at the power station, which was badly damaged in flash floods due to a cloud burst.
- **In the continuing efforts to maintain technology edge through R&D, BHEL is setting up Centres of Excellence for Surface Engineering (COE-SE) and for Intelligent Machines and Robotics (CIMAR).**
- BHEL is the first engineering & manufacturing organisation and the first PSU in the country to win the coveted 'Best in Class Distinction' from the International Asia Pacific Quality Organisation (APQO) through its Ranipet unit winning International Asia Pacific Quality Award (IAPQA 2005).
- **National Award for Best Disabled Employee — for the year 2005** conferred on BHEL employee, Mr. RC Parakh by the President of India.
- **BHEL's units at Haridwar, Tiruchirapalli & Hyderabad and Power Sector Northern & Eastern Regions have received CII-EXIM Bank commendation certificates for Business Excellence.**
Excellent performance of the company during the year has been made possible by the dedication, team effort and commitment of the 42,600 employees

FINANCIAL PERFORMANCE

- BHEL recorded the highest-ever turnover of Rs. 14,410 Crore, notching the highest-ever growth of 39% on top of 19% and 16% top-line growth achieved in 2004-05 and 2003-04 respectively. Highest Y-O-Y growth in last three decades.
- The company's Net Profit (PAT) stood at Rs. 1,621 Crore against Rs. 953 crore in the previous fiscal. Profit Before Tax

- (PBT) was Rs. 2,484 Crore, during the year. Consequently, all-time high interim equity dividends totaling to 125% were paid for fiscal 2005-06, maintaining the track record of paying dividends uninterrupted for the last 30 years.
- Earnings Per Share (EPS), during the year, stood at Rs. 66.2 — registering an increase of 70% over that achieved in 2004-05.
- Net Asset Value (NAV) per share increased to Rs. 297.4 from Rs.246.2 in the previous year, indicating further growth in the intrinsic strength of the company
- In the same period, the highest-ever Economic Value Added (EVA) of Rs. 986 Crore was recorded, an increase of 96% over that of Rs.504 crore in 2004-05 — commendable performance for the engineering industry.
- Value Added per employee rose to Rs. 12.84 Lakh from Rs.9.82 Lakh in 2004-05.
- Total export turnover (Physical + Deemed) stood at **Rs. 3,875 Crore** during the year, accounting for 27% of the company's turnover during the year.

The company continued to focus on growth strategies during the year maintaining technology edge, enhancing competitiveness, focusing on new international markets, capacity expansion, etc. which have positioned the company stronger in its markets.

BHEL's track record of being one of the top wealth creators in the country was also reflected in the performance of the company's stock which touched new highs during the year, fuelled by its exceptional performance and strong fundamentals. Major credit rating agencies like ICRA and CRISIL continued to repose faith in BHEL, by retaining the highest ratings for the company's debt and deposit programmes.

ORDERS INFLOW

BHEL in the last three years has been able to consistently secure orders at record levels and this has resulted in comfortable order outstandings position of **Rs. 37,500 Crore** as at end Mar'06. In 2005-06, in the **Power Sector business segment**, BHEL secured orders worth **Rs. 9,008 Crore** In terms of power plant equipment, the orders amounted to 3,473 MW. Also, renewed thrust on renovation & modernisation, spares and services business resulted in booking orders worth **Rs. 1,853 Crore**. In the **Industry Sector business segment**, BHEL secured the highest-ever orders worth **Rs. 4,728 Crore** during the year. In **International Business** BHEL recorded the highest-ever physical export orders of **Rs. 3,348 Crore** — a six-fold increase over last year and more than double the previous highest export order booking achieved by BHEL. For the first time, export orders have contributed 18% to the company's total order booking.

Some significant aspects to be noted are :

- Major breakthrough achieved in CFBC technology with the receipt of order for country's highest-rating (250 MW) CFBC boiler for Neyveli TPS. In fact, all orders for CFBC technology-based power plants in the country — highest in a year, have been won by BHEL.
- APGENCO's first two 500 MW sets at Vijaywada and Bhoopalpally TPS were ordered on BHEL.
- Single-largest contract decided in India for a 400 kV substation for Barh STPP was placed on BHEL.
- Largest-ever export order secured for a 4x125 MW steam turbine-based thermal power plant at Kosti, Sudan from National Electricity Corporation Sudan, on EPC basis.

POWER SECTOR — Significant Orders

- Vijayawada TPS Stage IV (1x500 MW) and Bhoopalpally TPS (1x500 MW) from APGENCO these are the first two 500 MW sets being set up by APGENCO.
- Major breakthrough in CFBC technology-based power plants with EPC contracts for Neyveli Extn. Stage II (2x250 MW) — the largest CFBC power plant in the country and Barsingsar TPS (2x125 MW), both from NLC. Also, CFBC technology-based Girai Lignite TPS (1x125 MW) of RRVUNL and GIPCL Surat Lignite Power Project (2x125 MW) on EPC basis.
- Chhabra TPS (2x250 MW) of RRVUNL. With this, BHEL maintained 100% share of supply of thermal power plant equipment in Rajasthan.

INDUSTRY SECTOR — Significant Orders

- Highest-value single order, for 2x120 MW Captive Power Plant (Unit 9&10) of NALCO — this will be Asia's largest CPP on completion. 8 units of 120 MW each have been set up by BHEL at the same CPP earlier.
- 1x250 TPH Steam Generator & 1x18.5 MW Back-pressure Turbine Cogen Power Plant from NALCO Damanjodi.
- 1x80 MW Captive Power Plant from Hindustan Zinc Ltd., following successful execution of EPC order for 2x77MW CPP.
- Turnkey contract for 20 MW Co-generation Captive Power Plant from IOCL Haldia.
- 2x75 TPH & 2x180 TPH BFBC boilers, 1x125 MW Non-reheat STG from Bhushan Steel & Strips Ltd.

- Single-largest stand-alone ESP package contract for Barh STPS Stage I (3x660MW) from NTPC.
- Condition study, supply of spares and restart of Ratnagiri CCPP Block II (700 MW) from RGPPL.
- Pump Motor Set for Nettampadu Stage I & II (7x1.7 MW) from Patel Engineering.
- Allain Duhangan HEP (2x96 MW) from ADHPL (Bhilwara Group), a private developer — the third order for a hydro project from the same group.
- Korba STPP (1x500 MW) of NTPC — 3 sets of 500 MW and 3 sets of 200 MW supplied by BHEL already in operation.
- Lakwa Waste Heat Recovery Project (1x37.2 MW) of APGCL on turnkey basis.
- Erection and commissioning of 2x220 MWe TG sets and Auxiliary Systems for Kaiga and RAPP-Kota (units 5&6) of NPCIL.

- 2x45 MW STG sets from Hooghly Metcoke & Power Co. Ltd, Haldia.
- 45 Traction Converters and 326 Traction Motors from Indian Railways.
- 11 sets of electrics for Diesel Locos for Angola from RITES & DLW.
- Highest-value single order for 400/132 kV switchyard from NTPC for Barh STPP. Orders for substations were also received from Haryana Vidyut Prasaran Nigam Limited, NLC, POWERGRID and WBSEB.
- Refurbishment & upgradation of 4 oil rigs from ONGC.
- Wet Gas Compressor from IOCL Panipat and Air Compressor from HPCL Vizag.
- Other highlights included; orders for Transformers, Motors, Alternators, Gas Insulated Switchgear, Electrostatic Precipitators (ESPs) and other equipment from various customers.

INTERNATIONAL MARKET — Significant Orders

- Largest-ever export order secured for a 4x125 MW steam turbine-based thermal power plant at Kosti, Sudan from National Electricity Corporation Sudan, on EPC basis. This is the first order for a power plant from Sudan and the first-ever crude oil-fired 125 MW unit-based EPC order for a thermal power plant from overseas markets.
- Stronghold in Oman retained with the sixth & seventh power project orders for 3x126 MW Gas Turbine-based power plants at Mukhaizana and Qarn Alam from Petroleum Development Oman, on EPC basis. With this, BHEL has secured ten large orders from Oman since its entry in that market, a decade back.
- First coal-fired thermal plant (2x60 MW) on EPC basis — order received from PT Merak, Indonesia. This has given BHEL an opening in the Indonesian market where a large potential exists for coal-based power plants.
- 42 MW Hydro Electric Power Plant order — First Power Plant order for Afghanistan
- Third consecutive order for compressors — for Marmul Project of Petroleum Development Oman. This success gives further impetus to export of compressors not only to Oman but also to the entire Middle East market, where large investments are planned for expanding Oil & Gas facilities.
- First ever export order for 220 kV sub-stations from EEPCO Ethiopia. This World Bank funded project order has been secured against stiff competition from Chinese & European suppliers, opening a new market for BHEL in Ethiopia and other African countries, where large Transmission & Distribution and Sub-station projects are planned.
- First ever export order from South America — 1x25 and 1x15 MVA Transformers for NVEBS, Surinam. With this, BHEL has established its footprints in all the six inhabited continents of world.
- Orders for PV Modules from Poland & Germany. The order from Sunflower Farm, Poland is the first ever order for PV modules from this country and further expands BHEL's presence in the export market for photovoltaics.
- Other notable export orders received during the year included:
 - Order for 40 sets of well heads from SPC Syria;
 - Motors from Thailand ;
 - Shunt Reactor from PPC, Greece.
- Continued focus on After-Sales Services led to orders for spares & services from Sri Lanka, Oman, Azerbaijan, Malaysia, Saudi Arabia, Singapore, Cyprus, Trinidad and Tobago, Kazakhstan, Indonesia, Philippines and Thailand.
- Pursuant to its efforts to become a sourcing centre for OEMs/MNCs, orders were received for supply of Soot Blowers from Indonesia and Insulators from UK.

PROJECT COMMISSIONING

- During the year, besides overseas commissioning **BHEL added 2365 MW** in the country comprising **13 Utility sets** and **15 Captive/Industrial sets**.
- With this, the installed capacity of BHEL Utility sets went up to **76,741 MW** and BHEL maintained its share of **65%** in the country's total installed capacity of **1,18,561 MW**.
- **120 MW (Unit 4)** at Tata Jojobera TPS was commissioned **26 days ahead of schedule**.
- In the area of **overseas project execution**, a significant landmark was achieved with the commissioning of two Gas Turbine generating units (157 MW ISO each) at the 600 MW Western Mountain Power Project in Libya. Significantly, the Turbines exceeded the guaranteed performance in the performance tests. Supplies for the remaining two units have also been completed.
- BHEL's first Industrial Steam Turbine generating unit (15.3 MW) with dual controlled extraction was successfully commissioned, against maiden export order received from Thai Carbon Black Co. Ltd., Thailand.
- Bag Filters were manufactured and commissioned for a steel mill in Romania against the first-ever order for Fabric Filters in the export market, which was also the first ever export order from Romania.
- For the first time Mark-VI based GT controls were commissioned at RIL Hazira for their CPP (Unit 8).

EQUIPMENT PERFORMANCE

- During the year, BHEL-built power generating sets generated an all-time high **402.6 Billion Units** of electricity — **73%** of the total power generation in the country.
- BHEL built thermal sets achieved an impressive Plant Load Factor (PLF) of **75%** — higher than the national average by **1.5%**; Operating Availability (OA) was recorded at a high **83.4%**.
- 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 **79.7%** & OA of **87.4%**. Notably, **39 sets** achieved PLF of over **90%**.



157 MW (ISO) Gas Turbine-Generator Unit at Western Mountain Gas Turbine Power Project, Libya

Major Utility power projects commissioned included:

- 1x540 MW thermal set for Tarapur Atomic Power Project
- 1x500 MW thermal set for Rihand STPS
- 1x210 MW thermal set for Parichha TPS
- 72.51 MW Gas Turbine for Dhuvaran CCPP
- 1x200 MW hydro sets for Sardar Sarovar HEP
- 3x50 MW hydro sets for Pykara Ultimate HEP
- 2x55 MW hydro sets for Almatti HEP
- 1x38 MW Gas Turbine for Rokhia



Riband Super Thermal Power Station



8x120 MW NALCO Captive Power Plant

CONTINUED CUSTOMER SUPPORT

- BHEL reinforced its commitment to providing prompt & efficient customer service aimed at facilitating uninterrupted power supply & keeping power plants in good running condition. During the year, BHEL overhauled **120** thermal utility & industrial sets and **27** hydro sets.
- BHEL once again demonstrated its customer focus when it took up on war footing and completed the restoration and re-commissioning work of the flood-ravaged 6x250 MW Nathpa Jhakri HEP of Satluj Jal Vidyut Nigam Ltd. in a record time. All the six units were made available in just 72 days at the power station, which was badly damaged in flash floods due to a cloud burst.

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, a turnover of around **Rs. 1,064 Crore** was achieved through products and systems developed in-house.

Notable technology developments during the year included:

- In conformity with BHEL's concern for society and environment, BHEL has developed a Bypass Over Fire Air (BOFA) system, which reduces Nitrogen Oxide (NOx) pollutants from coal-based thermal power plants by up to 50% from the present level.
- BHEL continues its thrust to exploit the potential of renewable energy. It has developed and tested a 500 metre head Francis Turbine having higher efficiency for hydro power generation.
- As part of its efforts to provide maximum value to its customers, BHEL has developed a steam leak detection system, which allows timely detection of Boiler tube leaks in thermal power plants. This prevents catastrophic failures and large-scale outages, by facilitating preventive shutdown.
- For enhancing the country's generating capacity at moderate investments through R&M of existing units, BHEL has developed a new LP Turbine variant, which can be retrofitted in old LMW sets. There are 57 nos. of 200/210 MW LMW sets (supplied by BHEL), which have completed over 20 years of service life. After retrofitting, the units can be uprated by 8.5 MW and their life can be extended by another 20 years.
- As its contribution to modernise the storage and inventory management system of the Indian Army, BHEL is executing a contract for installing its in-house developed Automatic Storage & Retrieval Systems (ASRS). Spread over 13 warehouses, the ASRS comprises more than 1,26,000 storage bins and a computer-based 'Warehouse Management System' facilitates automatic operation through Radio Frequency Communication. Valued at over Rs.100 Crore, the contract was placed by Central Ordnance Depot, Kanpur
- For the benefit of its customers by way of developing more efficient products/technologies, BHEL has established several Centres of Excellence (CoE). Set up last year, the CoE for Permanent Magnet Machines, has developed a new 38 kW, 220 volts, 400 Hz. compact Permanent Magnet Generator (PMG), which is lighter and smaller (40%), and more reliable in comparison with the present PMG.

- Continuing its tradition of contributing to the country's space programme, BHEL manufactured solar panels comprising high-efficiency multi-junction solar cells with 5500 watts output and Satellite Batteries (Nickel-Hydrogen type 70 AH). These were deployed in the Communication Satellite INSAT4A, which was put in geosynchronous orbit by ISRO in Dec., 2005.
- As part of improving the economies of solar photovoltaic systems to enhance the conversion efficiency of the solar cell by around 10-15%, anti-reflection coating technology has been developed.
- As part of its endeavour to offer to its customers, quality products conforming to international standards, BHEL has got its large-size higher wattage (150 watt) PV modules certified by European Solar Test Installation (ESTI), Joint Research Centre (JRC), European Commission, ISPRA, Italy. BHEL had earlier obtained the certification for low wattage modules. This international recognition development will facilitate marketing of the entire spectrum of PV products in overseas markets.

REMOTE AREA DEVELOPMENT

- BHEL has been contributing to the national effort for development of far-flung/remote areas on a sustained basis. Highlights during the year included:
 - Three 'Stand-Alone' Solar Photovoltaic (SPV) power plants were commissioned by BHEL for WBREDA at Rakhalpur, Kaylapara and Daudpur islands, in the Sunderbans. Hon'ble President of India, Dr. A.P.J. Abdul Kalam visited the Solar Power Plant at Kaylapara and admired the efforts of BHEL and WBREDA in harnessing renewable energy for the welfare of people living in remote parts of the country.
 - India's largest Solar-Diesel Hybrid Power Plant of 50 KWp capacity was commissioned at Bangaram Island of Lakshadweep. This will facilitate availability of un-interrupted, environment-friendly power for various applications in the world-famous tourist island.
 - 150 sets of Solar Powered Water Pumping Systems were supplied, installed and commissioned in various parts of Punjab. Each system will cater to the power requirement of 2 HP pumps used for irrigation purposes.

CAPACITY AUGMENTATION & ASSET MODERNISATION

- Aimed at meeting customer commitments and enhanced market demand, an **investment of Rs. 312 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. 202 Crore** was made for introduction of state-of-the-art facilities for improving product quality, reducing cost and cycle time and enhancing productivity. In addition, **Rs. 110 Crore** was spent on modernizing and upgrading equipment at various power plant sites for meeting enhanced erection load and shorter commissioning schedules.
- BHEL is investing more than **Rs. 1,200 Crore** during the X plan period for modernization of facilities for various products in its units, and for erection & commissioning equipment at power plant sites.

QUALITY/ENVIRONMENT

- For attaining excellence in its operations, BHEL has adopted Total Quality Management (TQM) through self-assessment approach as per EFQM/CII model of Business Excellence. In order to measure the maturity levels achieved in this movement Units/Divisions of BHEL are participating in 'CIIEXIM Bank Award for Business Excellence'. BHEL's efforts have been recognised by the award committee and all 5 Units/Divisions, which participated in the award, have been recognised with award of commendation certificates for efforts towards continuous improvement and Business Excellence. BHEL has thus become the first PSU to win this recognition for all Units/ Divisions participating in the CIIEXIM Bank Award for Business Excellence.
- BHEL became the first Public Sector as well as the first engineering and manufacturing organisation in the country to win the coveted 'Best in Class Distinction' from the International Asia Pacific Quality Organisation (APQO). BHEL's Ranipet plant won the recognition as part of the International Asia Pacific Quality Award (IAPQA 2005), wherein more than 50 countries participated.
- 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 for OHSAS-18001 Occupational Health and Safety Management System as well as ISO-14001 Environmental Management System.

HUMAN RESOURCE — A SPECIAL FOCUS

- During the year 7 employees received individual National awards. This brings the cumulative National awards in BHEL to 386 employees.
- In keeping with its unique tradition of Participative Management, BHEL's Apex-level participative forum — Joint Committee, completed 38 years of successfully steering positive & harmonious industrial relations and fostering joint decision-making in the company. The forum comprises Central Trade Union leaders, Plant-level Union Leaders and the top-management, with linkages right up to shop floor participation. BHEL is a pioneer in Participative Management in the Public Sector and is constantly endeavouring to reinvigorate and strengthen this participative culture.
- With a view to encouraging creativity — which is so essential to meet the ever-increasing competition in the market, employees are encouraged through suitable reward schemes to take up Improvement Projects. As a result, over 6,000 projects were registered apart from 22,000 suggestions, during the year. This has resulted in substantial savings for the company as well.
- In line with the changing market requirements the knowledge & skills of the employees are continuously upgraded. Accordingly, during the year 31,500 employees (74% of the total employees) were exposed to 3.6 lakh man days of different training programmes, during the year. This translates into 8.46 training man days per employee. In addition, over 520 customer personnel also were trained on various themes. Also, as part of social commitment over 4,500 Apprentices were trained in the company.

SOCIAL RESPONSIBILITIES

- BHEL and its employees once again rose to the occasion and demonstrated their solidarity with fellow citizens and victims of natural calamities, which rocked the nation during the year. A sum of Rs. 3 Crore was contributed by the company to help mitigate the suffering of the people devastated by the severe earthquake in the state of Jammu & Kashmir.
- As part of its Corporate Social Responsibility, BHEL undertook a number of welfare projects during the year at the company's adopted villages located across the country. These included Blood Donation Camps, Health Check-up Camps & Infrastructure support at these adopted villages.
- Also, as part of the company's commitment towards conservation of the environment, several tree plantation drives were organized at its plants and townships, located across the country. With this, the total number of trees planted by the company has gone up to 30 lakh trees.



'Industrial Excellence Award 2004-05' by the Indian Nuclear Society

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; Indian Nuclear Society's 'Industrial Excellence Award' 2004-05, FICCI Award for Environmental Conservation & Pollution Control, Vishwakarma Rashtriya Awards, National Safety Awards, **EEPC's Top Export Award for the fifteenth year in succession**, British Safety Council's 'International Safety Award' for the third consecutive year and ICWAI National Award for Excellence in Cost Management 2005.

- For his overall outstanding performance in the face of all adversities, a BHEL employee, Mr. R.C. Parakh, was conferred the 'National Award for Best Disabled Employee' for the year 2005, by the President of India.

POSITIONING FOR THE FUTURE

- CEA has indicated that 67,000 MW generation capacity needs to be added during the XIth plan to ensure 'Power for all by 2012'.
- Emphasis on reforms and creation of a cohesive policy framework is continuing. Finalisation of an Integrated Energy Policy is also on the anvil. In addition, Govt. is facilitating setting up of 'Ultra Mega Power Projects'. While coal will be the dominant fuel, strategies are being worked out to improve the hydro-thermal mix. Besides, development of nuclear energy projects is likely to get a boost after the signing of co-operation agreements with USA and France. Also, greater thrust on T&D and increased activity in the industrial sector are expected to create ample opportunities for BHEL in its core business areas.
- To capitalise on these emerging opportunities, the manufacturing capacity of the company is being enhanced from 6,000 MW per annum at present to 10,000 MW per annum by 2007. It has already tied up technology to produce higher rating thermal sets with super-critical parameters. Introduction of higher rating hydro turbine generator sets and advanced class Gas Turbines have been planned. BHEL is also gearing up to encash emerging opportunities in Nuclear Power Generation.
- For enhancing its competitive edge, BHEL has embarked on a major exercise of 'Positioning BHEL for Accelerated Growth' to address all aspects of its operations. Pilots on capability-building initiatives like Design-to-cost, Purchase and Supply Management, etc., have been completed recently and will be extended to other product areas.
- Further, emergence of the Services sector, both in Generation and T&D areas, would provide a number of opportunities for BHEL in R&M, LTSA, overhauling and After-market services. The marketing activities of spares & services have been consolidated and a separate group has been formed to focus on this sector.
- In its pursuit to enhance its global presence, BHEL to explore inorganic growth options within the Navaratna guidelines / with approval of the Govt. of India, availing opportunities for obtaining new technologies and expertise, intellectual property rights, product extensions, market access etc.
- BHEL realises the value of quality human resource and that the development of this critical resource has become imperative, in view of a business environment where globalisation, competition, customer expectations, fast pace of change and new economic policies pose serious challenges. Training and development efforts are being revitalized with a focus on multi-skilling and skill up-gradation.

The above performance is a result of the commitment and trust reposed in BHEL by its stakeholders including Government of India. I thank BHEL's stakeholders, our friends from the media and my colleagues for enabling us to set new benchmarks.

Note: Company results for 2005-06 are provisional, subject to audit

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