



## Q1FY22 Results

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Supplementary Information  
Chief Investors Relation Officer  
**Bharat Heavy Electricals Ltd.**  
Aug, 2021

# Introduction

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- **Context**

- Subsequent to the declaration of the results of Q1FY22 on NSE, BSE and [www.bhel.com](http://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

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<b>Rs Crore</b>	<b>Q1FY22</b>	<b>Q1FY21</b>	<b>Change, %</b>
<b>Turnover</b>	2,724	1,897	44
<b>EBITDA</b>	-399	-963	59
<b>Profit before Tax</b>	-594	-1,196	50
<b>Profit after Tax</b>	-445	-897	50

## Business Environment

- Domestic economic activity normalising with the ebbing of the second wave of the virus and the phased reopening of the economy.
- High-frequency indicators suggest that (i) consumption (both private and Government), (ii) investment and (iii) external demand are all on the path of regaining traction.
- Easing of restrictions and increasing coverage of vaccinations likely to boost private spending.
- Encouraging movements in several high frequency indicators, viz., registration of automobiles, electricity consumption, non-oil non-gold imports, consumer durable sales and hiring of urban workers.
- Investment demand still anaemic, improving capacity utilisation, rising steel consumption, congenial monetary and financial conditions and the economic packages announced by the Central Government expected to kick-start a long-awaited revival.
- Global commodity prices and episodes of financial market volatility, together with vulnerability to new waves of infections are, however, downside risks to economic activity.

*Source: RBI Monetary Policy Review, Aug 2021*

# Operations

- At end of Q1FY22, the Cash & bank balances (net of borrowings) stood at Rs. 1,623 Cr, a marked improvement over Rs. 1,168 cr (at end of Q1FY21). The deficit in Q1FY22 is the lowest deficit witnessed in the first quarter of last 10 years.
- Despite disruptions due to COVID second wave in Q1FY22, focus on project deliveries lead to:
  - Full load achievement for Unit#1 of 3x660 MW of Barh STG-I (BHEL scope-Power Cycle Piping Pkg).
  - Full load achievement for Unit#2 of 2x800 MW of NTPC Darlipalli STPS, Odisha (BHEL Scope - Steam Generator & ESP Pkg.)
  - Synchronization of 25 MWp of GSECL Dhuvaran Solar PV plant
  - Commissioning of 45 MW (Unit#3) STG of OMPL, Kharagpur captive power plant
  - Commissioning of 7.5 MW (out of 100 MW) of floating solar power plant at NTPC Ramagundam
- Successfully completed the lowering of stator of Unit#6 of 6X200 MW Punatsangchhu-I Hydroelectric Project (PHPA-I), Bhutan.

## Order Book

Order Book (Rs Cr)	Power	Industry	Exports	Total
Received, in Q1FY22	2,502	694	57	3,253
Total, as on 30.06.21	84,586	11,187	6,325	1,02,098

- Out of above more than round 80% orders are executable.
- Prominent orders received in Q1FY22:
  - Supply and supervision of Erection and Commissioning of Pump & auxiliaries, motor & auxiliaries, Static Excitation System and SCADA for 4x125 MW Kaleshwaram Project (Link-IV-Package-1)
  - Supply of 12 nos. of Steam Generators for NPCIL's 700 MWe Pressurized Heavy Water Reactors (PHWRs) to be installed in Fleet Mode at various locations for 10x700 MWe Nuclear Projects by NPCIL.
  - Supply of Synthesis Gas Centrifugal Compressor Package for IOCL Gujarat Refinery for supply and supervision of E&C of 1x12 MW STG.
  - Supply of 5 nos. 500 MVA Power Transformers from PGCIL, 23 nos. 6531 kVA Main Transformer for WAG-9 loco from DMW, Patiala. Also, Supply and annual maintenance contract of 18 sets of complete Propulsion from DMW, Patiala
  - First order for supply of 2 nos. of upgraded SRGM along with accessories.
- Some of the prominent orders, where BHEL is favorably placed: 2x500 MW Sipat Stage-II FGD package; 2x660 MW NTPC Talcher main plant package; Fleet Mode procurement of TG Island Package on EPC basis for 6x700 MWe PHWR Reactors

# Cash

- Cash Deficit for Q1FY22 is restricted to Rs. 244 Cr
- Closing Cash & Bank balances (net of borrowings) as on 30.06.2021 is Rs. 1,623 Cr
- Cash collection from billing in Q1FY22 increased to 48% against 37% in Q1FY21
- Total Net Receivables (including Contract Assets) are lower by about Rs. 400 Cr., with reduction of about Rs. 500 Cr. in Contract Assets
- Reduction of Trade Payables during Q1FY22 by more than Rs. 400 Cr

## Accounts receivables

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- Customers too faced challenges related to funds and manpower
- Details of total receivables and their distribution among various customer categories is as follow:

<b>Rs Crore</b>	<b>Q1FY22</b>	<b>Q1FY21</b>	<b>FY21</b>
<b>Trade Receivables</b>	7,336	11,836	7,213
<b>Contract Assets</b>	23,550	23,495	24,079
<b>Total</b>	<b>30,885</b>	<b>35,332</b>	<b>31,292</b>

<b>Category</b>	<b>Central Utilities</b>	<b>State Utilities</b>	<b>Private Sector</b>	<b>Exports</b>
Share, % (Q1FY22)	36%	43%	13%	8%



## Provisions

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<b>Rs Crore</b>	<b>Q1FY22</b>	<b>Q1FY21</b>	<b>FY21</b>
<b>Creation</b>	140	215	3,593
<b>Withdrawal</b>	333	192	2,404
<b>Write off</b>	8	15	278
<b>Net Provisions</b>	-185	38	1,467

## Notable successes

- To meet the demand of medical Oxygen during COVID-19 second wave, the company's manufacturing plants located at Bhopal & Haridwar, worked 24x7 to supply over 5,75,000 Cubic meters (more than 80,000 oxygen cylinders) to several hospitals.
- 'BHELMister' developed by BHEL used for sanitizing cities and towns all across the country.
- BHEL provided the financial assistance to 'Impact India Foundation' for resumption of the 'Lifeline Express - Hospital on Train' to provide healthcare service at Panki Railway station near Kanpur.
- BHEL has been placed among the top 25 Best Workplaces in the '2021 Top Companies List', to grow your career in India by LinkedIn.
- BHEL hosted a webinar on "Renewable Energy" organized by the High Commission of India to Mauritius on the occasion of 'World Earth Day 2021' as a part of India@75 celebrations. The webinar focused on the role of solar energy.

## R&D, Innovation

- The Company's first indigenously developed 500 LPM medical-grade oxygen plant was delivered to SLG Hospitals, a Hyderabad-based private Hospital. The plant has been manufactured & tested by BHEL with CSIR-IIP Dehradun technology - notably the plant was delivered in a record time of less than 35 days from the receipt of order.
- Developed 3-5 kW Proton Exchange Membrane (PEM) Fuel Cell Stack with High Power Density Fuel Cell for Mobility applications.
- Development of a cost-effective corrosion resistant polymer coating to replace imported and expensive C276 (Ni- based super alloy) clad plate in Absorber of Flue Gas Desulphurization (FGD) system.
- BHEL signed a Memorandum of Understanding with—
  - Naval Science & Technology Laboratory (NSTL-DRDO Lab) to produce wide variety of high technology equipment and systems to meet requirements of defence forces.
  - Enterprise Incubation Centre of IIM, Lucknow as partner institute to support BHEL's engagement with startups for new technologies, product and services.

## Atmanirbhar Bharat

- Design & development of Steam Turbine Plant (STP) compartment layout for strategic application from Indian Navy- first major standalone Engineering design order received by BHEL . The order includes complete indigenization of the critical STP system and is being taken up for the first time in the country. .
- Successful completion of design and development of 10.5 KVA, 3000 rpm, 150 Hz overhang type compact Permanent Magnet Generator (PMG) suitable as pilot exciter for Turbogenerators for 150 MW capacity .
- BHEL's HPEP Hyderabad unit received American Petroleum Institute (API) Mongram Licenses for Oil Rigs (API - 4F, 7K & 8C certificates). This will help the company in meeting the qualifying requirements of domestic/ international tenders from Oil & Petroleum Industries for manufacturing & supply of Oil Rigs and drilling rig equipment.
- BHEL's HPBP Trichy Unit was recertified for American Society of Mechanical Engineers (ASME) 'S', 'U' & 'U2' stamp- enabling the company to participate in global tenders for supply of boilers/ pressure vessels/ parts.



# Thanks!

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