भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited

Ref: AA:CSM:72

30 June 2020

Corporate Relations Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street, Mumbai- 400 001
Scrip code: 500103

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Scrip Symbol: BHEL

Sub.: Disclosure of material impact of CoVID–19 pandemic under SEBI (LODR) Regulations, 2015 vide ref no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 May 20, 2020

Dear Sir/Madam,

Further to our earlier announcements Ref: AA: HR: MR 1 (C) dated 23.03.20 and 31.03.20, and the above reference, we would like to inform the impact of the CoVID-19 pandemic on our business, performance and financials, as under:

Business Outlook: Business outlook in the immediate term remains challenging due to the continued slowness in ordering witnessed in the power sector. The pace of ordering is yet to pick up post Covid. Leading indicators like demand for electricity reflecting gradual resumption of economic activity nearer to the pre-lockdown period bears promise for the longer outlook.

The 'Aatmanirbhar Bharat' initiative of the Government of India as a strategy to mitigate the ill impacts of COVID-19 is also expected to provide potential for manufacturing operations growth. In line with this vision BHEL floated an Expression of Interest (EoI) on 29th April 2020, inviting OEMs across the world for setting up their business bases in India leveraging its engineering and manufacturing capabilities, technological strengths and geographical spread across the nation. Nearly 60 relevant responses have been received with more than 50% companies of foreign origin. The responses received cut across several sectors such as Railways, Defence & Aerospace, E-Mobility, Power Equipment, etc. High level teams at BHEL are working to take these forward in a time-bound manner.

Performance & Operations: In compliance with various Ministry of Home Affairs orders issued from time to time in respect of lockdown, the company's offices, manufacturing units and project sites remained closed for varying periods, except for permitted essential services.

Utilizing its IT infrastructure, the company instituted "Work From Home" for many sections of employees across offices and units during the lockdown period. This helped in some continuance of activities in functions such as engineering, HR, Finance, etc., despite the fact that employees did not have physical access to their offices.

पंजीकृत कार्यालय : "बीएचईएल हाउस", सीरी फोर्ट, नई दिल्ली-110049, भारत, दूरभाष : (का.) 011-66337000, फैक्स : 011-26493021
Regd. Office : "BHEL HOUSE", Siri Fort, New Delhi-110049, INDIA, Tel. : (O) 011-66337000, Fax : 011-26493021
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After lockdowns were lifted in different parts of the country, BHEL's manufacturing units have resumed limited operations in a staggered manner, strictly conforming to the guidelines issued by local administrations. However, the worldwide disruptive impact of the Covid pandemic on

supply chains on BHEL operations continues to be seen, both in respect of imported as well as indigenous supplies, from the last quarter of the previous financial year itself.

Though all power project sites were also opened when permitted by the respective local administrations, poor availability of labour continues to have an impact on full resumption of project execution activities.

In the period, the company is taking all measures to ensure health and safety of the employees, associates and other stakeholders by conformance to the stipulations as well as development of products for disinfection, which have been supplied to various municipal authorities. The company and its employees also made a humble contribution of Rs. 15.72 Crores to the PM Cares Fund to fight the Covid pandemic.

Financials: The Q4FY20 and FY20 financial results have already been declared under Regulation 33 of the LODR on 13 June 2020. The disruption of international supply chains in the first quarter of the calendar year, coupled with the nation-wide lockdown towards end of Q4FY20 have had some impact on the financial parameters of the company in respect of revenues as well as profitability.

This is for your information and records.

Thanking you,

Sincerely,

30/06/20

(Rajiv Bhatnagar)
GM & Head / CSM

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