



भारत हेवी इलेक्ट्रिकल्स लिमिटेड

Bharat Heavy Electricals Limited

27th June 2020

DISCLOSURE ON CREDIT RATING TO STOCK EXCHANGE BY BHEL

M/s CARE has downgraded the rating on the long-term bank facilities of Bharat Heavy Electricals Ltd. to 'CARE AA' from 'CARE AA+' while reaffirming the outlook to 'Stable'. The rating on the short-term facilities have been reaffirmed at 'CARE A1+'. The instrument wise ratings are as under:

Bank Facilities	Rating Action	Primary reason mentioned by the Rating Agency
Long-Term Rating	CARE AA/Stable (Rating downgraded from 'CARE AA+' to 'CARE AA'; Outlook reaffirmed to 'Stable')	Decline in execution of orders, further aggravated with the outbreak of Covid-19 the effect of which is likely to continue on account of labour migration & logistics issues. The deterioration in operating margins and elongated working capital cycle / increasing contract assets due to the adverse payment terms in orders. High concentration of orders in the thermal power segment that is beset with overcapacity, declining competitiveness and weak financial profile of state utilities.
Short-Term Rating	CARE A1+(Reaffirmed)	